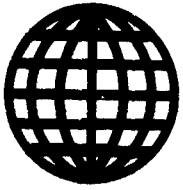


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INTRABLOC

East European Proposals on New Europe, Role of CSCE Discussed

90EP0550A Vienna DER STANDARD in German
23 Apr 90 p 23

[Article by Dr. Stefan Lehne, researcher, Austrian Institute for International Politics: "Soft and Hard Models for Future Crisis Management"]

[Text] It is not altogether unfathomable that a major portion of the ideas currently under discussion regarding new European structures comes from East European countries. In these countries, the urgent desire for the dismantling of the remaining relics of the old order is connected to the need to confront the threat of new nationalistic conflicts with new security structures. The new Czechoslovakian Government has presented the most far-reaching concept. According to this proposal, the 35 CSCE signatory states would conclude an agreement on collective security, the execution of which would be entrusted to a European Security Commission.

This system should give rise to an organization of European states, and finally, to a European confederation. Even the Soviet side takes the view that the new political realities in Europe make the dissolution of the pact structures through a European system of collective security necessary.

The basic concept of collective security resides in the obligation of all the participants to take concerted action in the face of an aggressor, in which—and this represents a distinction from a military alliance—this obligation is not so much directed (primarily) toward an external enemy, but rather, against other participants. By guaranteeing military superiority for the side of the victim, the potential aggressor is to be deprived of every opportunity. The fact that a system of collective security has hardly any chance of being realized is inextricably bound up in its incompatibility with the continued existence of the military alliances. The existence of partial alliance commitments contradicts the basic principle of the obligation of the one for the benefit of all.

Now the disappearance of the East-West confrontation calls the sensibility of NATO's further existence into question, and yet, most of the states in the West will not be, in the foreseeable future, prepared to exchange their old alliance, which has withstood the rigors of the decades for a new, untried one. Quite apart from these considerations, the concept of collective security points to considerable internal weaknesses. In the final analysis, it rests upon the paradoxical assumption that the states, in pursuing their own interests, will refrain from military power, while at the same time remaining at the ready to defend the interests of another militarily.

The failure of the worldwide organization, and the poor degree of realization of the U.N. Charter have shown that the right to mutual defense of the status quo is not

commensurate with the realities of international relationships. Unfortunately, there is no reason to assume that the situation in Europe would be any different in the future.

The proposal made by the Polish Prime Minister, Mazowiecki for a "council of European cooperation" is more modest, but also more realistic. The council, which consists of all the CSCE participating states, should convene on a regular basis to discuss problems that are common to the whole of Europe. Provision is also made for a special convocation of this council to deal with crisis situations. Such a committee could, indeed, close the gap in the European security situation. Whereas in America (OAS) and in Africa (OAU), regional political organizations exist, attempts along these lines have failed in Europe, due to the East-West confrontation. Now, however, it is plausible that certain international conflicts can be dealt with in a regional context in a manner that is more promising of success than within the context of the United Nations. China's resistance to dealing with the struggles in Romania in the UN Security Council in December, 1989, is just one example of the fact that factors external to Europe can render the resolution of a conflict more difficult. It would therefore make perfect sense if, in future, European disputes could be presented to a European commission.

The central questions in the establishment of a standing CSCE Council are its competencies and the mode in which it would reach decisions. An assumption of the usual CSCE principle within the CSCE process would mean that the council could be used, in point of fact, for debates, for exerting political pressure, and, for offering its services in the mediation of disputes, but that in disputes between CSCE member states, it would be blocked.

The Danger of "UN-ization"

If, in conjunction with the way in which decisions are reached, these decisions have no more than the character of recommendations, the net result would be the "UN-ization" of the commission. If it should be possible to decide on sanctions and military measures, the problems of collective security, which were raised above, would arise.

On the whole, more speaks in favor of a "gentle" model, one based on cooperation, than in favor of a "hard" system of collective security. A CSCE Council that makes its decisions on the consensus principle, one that does not dissolve currently existing military and political alliances, but one that supplements them and is committed to measures for the peaceful resolution of conflicts, and to rapid communication between CSCE member states, could make a meaningful contribution toward a system of conflict resolution and crisis management. A more compulsive system, however, one that is fully-equipped with coercive measures, would, however,

to the extent that it could be politically implemented at all, presumably share the fate of other attempts at collective security systems.

It is definite that the creation of new institutions will not suffice to stand up to the danger of a resurrection of nationalistic conflicts in East and Southeast Europe. Much more decisive is the success of the reforms in these countries. Social crises, social conflicts, authoritarian regimes, would also heighten the international tension, and increase the danger of war.

The prospect of sharing in a modern, prosperous Europe as an equal partner is, on the other hand, the most effective means against reverting to nationalistic contrasts.

In the debate between those who call for a "return to Europe" by means of economic and social modernization, and those for whom balancing the budget is the primary concern, a great deal will depend on the position the Western countries take. Without a doubt, the gradual expansion of the Western European integration process onto the Eastern European countries would be the most promising concept in terms of security policy for the new Europe.

Prlja Optimistic On Recent Changes in Albania

90BA0134A Belgrade NIN in Serbo-Croatian
20 May 90 p 62

[Article by Dr. Aleksandar Prlja, Serbian Republic secretary for foreign affairs: "A Different Albania?"]

[Text] Last week's visit by UN Secretary General De Cuellar to Tirana is an unusual event in and of itself. Up until now, the doors of the Albanian paradise had been closed, even to the individual who officially plays the role of the angel of peace in the world. In the tradition of Enver Hoxha, the outside world has been looked at from there—with the possible exception of parts of Serbia—mostly across glimpses and bunkers.

In fact, exactly five years after Enver's death, the world has been rubbing its eyes in disbelief over the fact that some different, more normal, and even more open Albania is actually becoming visible.

There really are signs of this, although one should not jump to conclusions in this closed, small world, where mutual physical liquidations of leaders take place from time to time, even at formal dinners. A few days ago Ramiz Alia, in a speech that coincided with the fifth anniversary of the death of Enver Hoxha (that anniversary was less ambitiously commemorated!), announced his intention to renew diplomatic relations with the USSR and the United States. A few days later, he also announced a desire to have Albania join Europe through the Conference on Security and Cooperation in Europe (that famous CSCE abbreviation of ours!). After several bold break-ins at foreign embassies, staged by the Albanian secret police, for which borders or extraterritoriality

have never been sacred (just as Latin American embassies, after all, are not sacred either to American force and arrogance)—the first Albanian refugees have now been released from the Greek Embassy. Furthermore, Albanian Prime Minister Carcani announced that all Albanians would receive passports. They will be able to go where they want, if anyone wants to receive them. To someone who has attentively followed what has been happening in our southern neighbor, next to the very border of the nonfated "republic of Kosovo," it is also encouraging that peasant produce markets are being introduced in Albanian cities, on the threshold of the 21st century. The peasants will even get gardens!

At least according to these indications, the world is turning upside down in the last European stronghold of the kind of society that Europe would like to forget. Eppur si muove! And so something is also in motion there. Admittedly, the widow Nedzmija Hoxha has not left for the Cote d'Azur, and she has not been locked up, as was announced and broadcast, but on the other hand the polemical tones of conflict within the political leadership can be heard in the air. Young men and girls are threatening Stalin's monuments—when they did not manage to free Albania of his disastrous leadership while that odious symbol was alive. The demonstrations in Durrës, Korce, Tirana, and Shkoder (apparently the strongest ones were there), however, cannot be concealed from the outside world.

After all, nothing can be concealed any longer from the curious eye of the world—Gorbachev was perhaps the first to realize this. The new television systems are even stronger than Orwell's "Big Brother," who sees everything, penetrates everywhere, and recognizes no barriers. There is no longer a border and there is no system that could prevent the reception of television pictures from outside. There is simply no medicine against "glasnost." The pharmacy will not help, even if there is no love.

For us, of course, Albania is a special topic. Anyone who has ever read what was written about Albanians and their dreamed-of "Greater Albania"—for instance, by Enver Hoxha in "The Titoists," or in his own way by Dobrica Cosic in his essays, which have enduring value—must at least know that this is a subject and processes which we in Serbia, and probably everyone in Yugoslavia, will have to live with for a very long time to come.

Recently in Washington I faced frequent questions: "Would it be better for you in Serbia (and naturally in all of Yugoslavia) if the Albanian regime were liberalized? Would it be easier for you to curb the separatist movement among the Kosovo Albanians? Or would it be even harder for you?"

Really, what would be better for peace in this part of the world? What would be better for Serbia? My answer on all such occasions was that—perhaps out of naive ignorance—I would always welcome a normal regime, normal in the sense of its having greater similarity to all

civilized regimes. Some American interlocutors, for example from the State Department, claimed the opposite as a rule. For instance—only then would the Albanian regime and the Albanian state be more attractive to those whom the Americans call “ethnic Albanians in Yugoslavia.” The State Department thinks that it would be even more difficult for Serbia then!

I thought and I still think that such reasoning is above all an expression of an aspiration to “deprive” Serbia and Serbs of their “illusions” that things can be easier or become easier for them than they are now. Consequently, do not hope that things could soon be better for you Serbs! They will not reduce their current pressure either.

Perhaps everything is thus clearer, then: struggle for respect for the human rights of those who are allegedly threatened in Kosovo, when it is the Albanian population that is in question! It is as though America is so concerned about violation of the human rights of Albanians in Serbia, precisely where everything else is of less interest to it.

It is perhaps worth recalling that America is not interested in the position of Serbs in Kosovo, or of the “southerners” in Slovenia, or of the Serbs in Macedonia, or even the existence of a right to self-determination in the USSR's Baltic republics—not to mention, for instance, the rights of the violated Vatican diplomatic mission and its extraterritoriality in Panama, or of any Cuban embassy in the Caribbean! In this regard the Americans often actually behave like Enver Hoxha's agents in Tirana—they do not respect any of the diplomatic immunities and rules adopted by the civilized world when governments that do not think the same way they do are involved; might makes right.

Nevertheless, I personally am firmly convinced that the encouragement for the territorial fragmentation of Serbia, a country immediately neighboring Albania, would be weakened if there were a regime in Tirana that was more identical with the normal criteria of the civilized world, freedom, bidirectional travel across the border, and respect for the rights of all citizens. Then it would be easier to respect the principle of the territorial integrity of their neighbor. It would be more difficult then for the Sigurimi [Albanian secret police] to interfere, and more difficult to have blockades; the barbed wire and bunkers on the borders would be rarer. If some day Albania's borders can be freely crossed, just as, for example, one crosses the border at Istra, then it will probably also be easier to cut the ground from under the feet of certain territorial claims. There will be more discussion of everything else, of what is now being ignored in Enver's stronghold of Stalinism.

As Bismarck warned, optimism in politics is often an expression of naivete. Napoleon also thought so. That is why I am also afraid of simply expressing myself as an optimist. I do not believe, however, that liberation from Stalinist fetters can turn into intensified pressure for the

seizure and annexation of others' territories. More openness at the borders will actually reduce the chances for those who seek to change those borders unilaterally, i.e., by violence. It still remains to be seen whether this regime can “open” Albania.

CZECHOSLOVAKIA

Spokesman for American Businessman Replies to Minister Barcak

90CH0108B Prague MLADA FRONTA in Czech
28 Apr 90 p 2

[Unattributed article: “The Facts About J. Rysavy”]

[Text] During his Tuesday appearance on the television news, Minister of Foreign Trade A. Barcak had with him an edition of MLADA FRONTA and an edition of MLADY SVET. These were the two papers that had written articles about Jiri Rysavy. The minister also spoke about Jiri Rysavy, and quite critically. He questioned his honesty and the solvency of his company, OmniSource. Theoretically, Radek John, the author of the MLADY SVET interview with Mrs. Stepova, the minister of trade, came off the best from the comparison of the two articles. “I have absolutely no doubt that Jiri Rysavy has lots of money,” notes Radek John. “The minister was speaking generally about the entrepreneurs that have been visiting our country. And about the television appearance of Minister Barcak? If he cannot back up his assertions, in my opinion he committed political suicide.”

The stock company Conex, where Mr. Rysavy is chairman of the board of directors, has requested an opportunity to respond to the television statements of Minister Barcak. This is because MLADA FRONTA was the first paper to report on the activities of J. Rysavy in our country. Most of the remainder of this article was also presented on yesterday's television news by Dr. Petr Susanka, Conex general director.

The near future will clearly show who is supporting, who is dragging their feet and even sabotaging the process of restructuring the economy and creating opportunities for entrepreneurial initiatives and the influx of foreign capital into our country. Unfortunately, old structures have made the transition quite smoothly to the new post-November society. These structures are willing under any slogan or ideology or idea to restaff themselves and develop the conditions for their own or, at a minimum, sectoral success.

The television appearance of Minister Barcak was well thought out, well prepared, and delivered professionally. This makes it all the more important to respond to this appearance and others of its kind immediately and specifically. Minister Barcak's remarks had an unambiguous and intentional structure. At the beginning and at the end he used a manipulative public relations trick, namely speaking about a specific case involving another

company. This leaves the impression that Mr. Rysavy wants to obtain loans from us, which is in utter conflict with all his proposals and position papers. He has always maintained that measures must be taken that will not support inflationary trends. He is fully aware that what our country needs now is to attract basic capital investments, not loan it to others. I will quote from documentation that the Minister has had since March of this year: "The Commercial Office Products Company is the largest supplier of office products in the Rocky Mountain states and is a highly respected business enterprise. It is profitable, with assets on 31 January 1990 of 17.2 million US dollars. The company is known under different names; the name OmniSource being used for business outside the state of Colorado." End quote. So the parallel that the Minister attempted to establish does not exist. The mother company assumes all responsibilities and risks for its sister companies. At the beginning of this year Mr. Rysavy had offered to provide to our trade office in New York any and all supporting documentation for which he received an official request. The trade office did not express any interest in this sort of cooperation.

In the middle of his presentation the minister moved up a notch, from insinuations to untruths. He specifically stated that at the time of the initial inquiries made by the Federal Ministry of Foreign Trade no company was registered under the name OmniSource. This in spite of the fact that the Minister has had for some time now written proof of OmniSource's registration. Certainly the minister did not take seriously his own statement that he could provide the mother company with a loan of roughly 2,000 dollars, but no more. And if he did not take it seriously he should not have made, or even hinted at the statement. If he wants to stand behind his statement, on the other hand, then the question becomes one of his understanding of economics, which in turn sheds another light on another document that the Minister has had in his possession for some time. The Colorado National Bank writes in this letter that as of 1 December 1989 it is opening a six million dollar line of credit for the Commercial Office Products Company, doing business outside the state of Colorado as OmniSource. Furthermore, the assertion of Minister Barcak that Jiri Rysavy forgot to state that he first has to make some money in our country to support humanitarian actions has to be taken for utter rudeness. Regardless of whether he ever does business with this country, Mr. Rysavy has already undertaken a number of voluntary activities in the areas of culture, education, and health care. One reason we have not publicized them is that some people tried to use against us a well-intentioned, scheduled press conference announcing the possibility of assistance from Jiri Rysavy for the Czechoslovak Olympic movement. Another reason is that we want to avoid any and all misunderstandings at the present time.

We have other comments on the appearance of the Minister. These, however, should be a part, along with opinions on foreign trade, of a broader televised discussion between Minister Barcak and Mr. Rysavy. We

suggest that this be arranged in view not only of the nontraditional approach of the Minister to Mr. Rysavy as an individual, but primarily because of his views on the prospects for a market economy and international trade. We think that the methods used and the attitudes demonstrated in the television appearance discussed above serve no one well, least of all the Minister.

Chief of President's Chancellery on Law, Practice of Law

*90CH0126A Prague TVORBA in Czech 25 Apr 90
pp 6-7*

[Interview with Josef Lzicar, LLD, Chief of President's Chancellery, by Petr Prouza; place and date not given: "Laws in the Castle"]

[Text] A proposal introduced for a brief time in the early 1960's called for direct interrelations between university programs and production enterprises. The department of law at Charles University was chosen to serve as a guinea pig, and thus, in the summer of 1961, we freshmen went to the town of Hradek on the Nisa River to spend six months there at work in the local manufacture of automobile parts. Suddenly almost one hundred high school graduates enjoyed a relative abundance of money and lots of free time. The results were very vividly described by Sergej Machonin in his report "Who Is To Blame" published at that time in LITERARNI NOVINY. His story helped to promptly put an end to such practices. However, the members of our class got to know each other very well, which led to several marriages; our solidarity forged under difficult circumstances continued for years to come. I consider this preamble a necessary introduction to an interview with one of my colleagues from that "Hradek" class, namely, with Josef Lzicar, LLD, the current director of the Office of the President of the Republic, or according to the old traditional title—the chancellor. He continues his membership in the Municipal Association of Attorneys in Prague; in other words, he is on a kind of unpaid leave in the Castle, because he intends to return to his law practice. Since 1979 he had defended Vaclav Havel at several trials; the backstage of those political trials would offer enough material for an extensive interview, and so would the problems of the current operations by the Office of the President of the Republic which attract considerable attention particularly abroad. However, today we shall focus mainly on urgent issues of law in our revived society.

[Prouza] In the final months of the previous system we often heard to our surprise that we were in effect living in a legal state. What does that mean, and what is the definition of a truly legal state?

[Lzicar] Lawyers are sometimes pejoratively called the "laborers of justice." If we want to help our clients, practical application of legal regulations often does not allow us enough time for thorough theoretical analyses of what was the cause of the "lapse" on the part of our

clients. For example, defense attorneys as well as prosecutors frequently lacked time for in-depth examination of causes leading or contributing to criminal acts, although pursuant to Article 89 of Criminal Procedures, that should have been included in the presentation of evidence. I shall try to answer your question in the way I used to see, and in fact, I still see the whole situation from the perspective of my profession. The desire "to live in a legal state" did not appear in the consciousness of all of us only in the last months; with increasing intensity we realized at the same time that legal proceedings were not always correct. In my view, one could not speak really seriously about a legal state, although in January 1989 the CPCZ General Secretary Milos Jakes declared that it was imperative for the new Constitution to stipulate that "the CSSR is a legal socialist state." He had already made a similar statement back in October 1988 at the 10th session of the CPCZ Central Committee. Shortly—exactly four days—after his address of 10 January 1989, it was revealed in no uncertain terms that legal regulations could be interpreted so as to serve purely special purposes and in fact, that they were mere formality, though I could use a harsher word here. I do not consider it necessary to resort in this discussion to historical argumentation about a legal state. The concept of legal state and the effort to live within certain legally determined limits had already interested Aristotle, Plato, and many other old European thinkers who persistently tried to introduce a certain order into the lives of citizens of this or that society. It would be wrong to think that a legal state is that state where legal norms control all its areas. Of extreme importance is the method by which such norms, including sanctions, are applied, and the manner in which the application of laws is reflected, or how it is viewed by citizens, because the idea of a legal state is directly linked with the enforcement of principles that must be observed not only by citizens but also by state authorities. Legal theory in principle agrees that a state which considers itself legal must adopt and observe these norms: a) to follow the principle of sovereignty of the Constitution and laws; b) state power is restricted by the law and implemented in accordance with laws and within their limits. Both those premises may be fully implemented in a democratic environment and by democratic methods in actions by state powers. Thus, a state is a legal state if it is ruled by laws and if it guarantees or safeguards the application of laws vis-a-vis every citizen without any distinction. A state cannot stand above the legal system; it must subordinate itself to that system and restrain itself when interfering with citizens' personal life.

[Prouza] Excuse me, but until recently it used to be alleged that there was no contradiction whatsoever between citizens' interests and state interests.

[Lzicar] This argumentation strongly smacks of demagoguery; it actually seriously maintained that in socialism the position of a citizen and the position of the state are not mutually contradictory and therefore, no barriers need to be erected for the so-called citizens'

protection against the power of state. Entirely disregarded was the fact that the respect for civil rights is, and should always be, the criterion of democracy in every system, and that it is absolutely imperative to base the citizen's rights and freedoms on the highest law, that is, on the Constitution and consequently, on legal regulations ensuing from that Constitution. I recall that the former U.S. presidential advisor, Brzezinski, said that "the historical inevitability of our time is not some utopian revolution but man's increasing realization of himself and particularly of his own human rights." Precisely in conjunction with civil—human—rights it should be mentioned that at last, the states (including the CSSR) voluntarily, albeit with considerable reluctance, had signed the international covenants on human rights and on economic, social, and cultural rights; both those covenants were ratified in 1976 and thus, became part of the Czechoslovak legal system. In hindsight, worth mentioning is the debate by our legal theoreticians whose views on the contents of both agreements were often diametrically opposite, for example, regarding their adoption, that is, their inclusion among the norms of the Czechoslovak legal code. There was no lack of opinions that this was quite unnecessary because at the time when the covenants were ratified, the Czechoslovak legal system already had included in its Constitution and other laws and legal regulations an amendment that allegedly fully covered and even exceeded all rights contained in the covenants. This was not meant ironically.

[Prouza] Even during our studies we were emphatically told over and over again that the Constitution, that is, law 100/1960 of the Collection of Laws, was considered fully adequate precisely with respect to human rights.

[Lzicar] In all sincerity, I must admit with some reservations that the way those paragraphs were formulated and drafted by their authors, in most cases the Constitution more or less fulfilled the demands that at a later date were incorporated in both covenants. In my opinion, if the agencies of state power would have proceeded from the principle of sovereignty of the Constitution—in other words, if one would envision our legal code as a pyramid with the Constitution really enthroned on its top—there would have been no criminal prosecution for demonstrations or assemblies during 1989 and even earlier. I cannot agree with efforts or counter-arguments alleging that legal regulations dating back to the 1950's did exist and in fact, still exist in our country. According to the predominant principle of legal theory, the most recent law cancels the previous regulation. Above all, from our Constitution has evaporated the rule which states that every regulation issued by legal authorities on lower levels than the Constitution must be interpreted in agreement with the Constitution.

[Prouza] Before the Prague Spring of 1968, lawyers were not the only ones occasionally to identify and perceive the problems you have mentioned. As you may know, I am referring here to the Fourth Writers' Congress.

[Lzicar] You are right; assessment of a legal state cannot be the prerogative of lawyers alone. I am convinced that in democracy anyone has the right to express his opinion about the legal system. After all, if one speaks about the crisis of society, that is not far from reflecting on the crisis of the legal system. You are referring to the notable Fourth Writers' Congress where Ludvik Vaculik correctly described the essence of the problem of legal state. At that time he articulated one great truth. I shall try to repeat his words almost verbatim: In reality, when our citizens demand their rights, they much too often fail because any local official can make their rights contingent on circumstances and conditions that are not, and cannot be, stipulated in the Constitution. He, too, regarded our Constitution as an excessively circumlocutory, poorly crafted and in important points vague matter. As for a truly legal state, the opinion of a local satrap cannot be legally relevant. In the same way, the order by a subordinate legal authority—it is called "sub-legal"—should not be interpreted if it is not in complete agreement with the Constitution. Although we are lawyers, we must fully agree with laymen that it is necessary to prefer laconic formulations not only of the Constitution but also of other legal regulations, in particular because there many such regulations will certainly be issued in the ongoing process of the restructuring of our legal system. With respect to legal security and also certain continuity of the social system, as a law student I was fascinated to learn that there were several periods in which the same law remained in force for nearly 150 years and spanned certain social changes; from that viewpoint that particular law seemed almost perfect. Therefore, it is entirely natural that, for instance, legal principles concerning mutual relations among citizens were passed from father to son and finally, to grandson. I would not go so far as to maintain that in the foreseeable future, with the dynamic development of social relations, it may be possible to achieve such legal certainties. This recollection of mine concerns the universal civil code of 1811 which "endured" until 1950 and whose many good aspects survived even beyond that date.

[Prouza] How, then, can a truly legal state be established?

[Lzicar] First of all, the state must guarantee the citizens' freedom to do anything that is not forbidden by the law. That requires flawless specifications of acts that are forbidden by laws. However, it is a fact that even when such norms are observed, citizens may not, and probably will not, always act ethically, that is to say, in accordance with general rules of ethics; however, this is another matter which does not belong in the legal area.

There can be no doubt that limits must precisely stipulate how far a citizen can go and conversely, what the state can do. In the 1960's our curriculum in the law school included recommended reading of Zdenek Mlynar's book "The State and Man." Among other things, he dealt in it with interrelations, reactions, and mutual effects of the former on the latter; he pointed out where,

in his opinion, is the fulcrum of the human rights problem, how to correctly specify the citizen's private sphere, and where to set limits for the power by which the state affects man.

The past offers us a number of examples of improper—to put it mildly—intrusions by the state into citizens' privacy; such interferences were inexcusable and ended with unjust and illegal sentences. Going back to the very beginning of our conversation about the onset of the death pangs of the political system in question, I realize that it would be very difficult to pinpoint the moment when they started. If the date of 17 November 1989 is to be regarded as the watershed in Czechoslovakia's history, it would not only be a very short time for assessing the importance of that date and of the events that followed, but it should also be noted that the dormant, profound crisis of the political system and then its ensuing death throes stemmed probably from the fact that the CPCZ had changed and gradually lost the character of a political party; it got incredibly smoothly enmeshed and ingrown in the power mechanism and became embodied in it. Gramsci wrote that in countries with one single totalitarian ruling party, it consequently loses its purely political purpose and begins to act in the role of propaganda, police oppression and collective control. I do not feel competent enough to assess every cause of the profound crisis in our country; political scientists, historians, etc., will have their say about that from their own perspective. Undoubtedly, each of them may see things differently, and some may even think that everything began already in February 1948 and that democracy ended at that time.

[Prouza] It is clear that all basic legal principles in Czechoslovakia have been violated over the past 40 years and not only over the last 20 years. It suffices to mention the 1950's as well as the pressures of the "normalization" period in the 1970's. How would you characterize the past from a lawyer's point of view?

[Lzicar] In next months and possibly years much more will be said about the past. I do not want to talk about the aberrations and trials of the 1950's which stemmed from the cult of personality, the mutilation of democracy, deformation of criminal laws, harassment of our citizens, illegal criminal and non-criminal penalties. Very often the principle predominated that might is right. The term "enemy of the people" became a household word, and a number of similar expressions in court procedures did not need any additional clarification. It was a rather common occurrence that the grounds on which court sentences were pronounced included such terms as "anti-socialist expressions" or "acts leading to destabilization of our state power"; laws explicitly used such terms as "hostility toward socialism," and I could mention a number of similar expressions that were very difficult to challenge. The legal system often failed to define many of those terms, as, for instance, what was meant by "incitement" or what by "subversion." At different times each of those terms had, and could have,

a different interpretation which depended on the political situation at that particular moment; many similar acts could receive punishment anywhere on the scale from a rather lenient penalty up to the highest sentence, i.e., absolute penalty. Unfortunately, in great many instances courts of law would use the commonly known terms and would not specify what constituted, for example, an anti-state act. Such expressions as "anti-socialist" had totally lost their meaning; in the end, even truth could be considered "anti-state." Unfortunately, if they expressed their political attitude about urgent social problems, many citizens would find themselves in a unenviable situation which very often ended in criminal prosecution and consequently, in deprivation of personal freedom. Courts must reexamine all these injustices stemming from the general political situation over the past decades; it is necessary to redress decisions issued by courts for acts that were described as criminal in contradiction to principles of a democratic society which respects human rights and freedoms as stipulated in international covenants or international legal norms.

[Prouza] Do you think that in the future some institutions may be established or guarantees given to prevent this kind of miscarriages of justice and illegal court decisions from ever happening again?

[Lzicar] Such guarantees presuppose a properly functioning democratic social mechanism, perfectly functioning agencies of criminal prosecution, and their complete independence from state authorities. If our legal defense system is to operate properly, prosecution must not represent the state alone but, in terms of observation of laws, also the citizens. Disdain for the law must stop; we must do away with the theory that law will wither away because all of us will voluntarily conform to "something higher" and act in accordance with ethical principles. I see the establishment of independent courts as a meaningful first step. Our criminal law was amended with new regulations that protect judges against undue influence.

In the future, no interference that may affect the performance of judges' duties in the process of searching for the truth can be ignored. In fact, quite strict sanctions (up to eight years of imprisonment) may serve as adequate warning to those who may be tempted to use judges as their lackeys.

[Prouza] People's justices are a frequent topic of discussions. What kind of place does this unprofessional element have in our legal system if the emphasis is on expertise and professionalism?

[Lzicar] We have known people's justices and professional judges since times immemorial. For instance, in medieval Germany professional judges and two to four people's justices were associated in a collegium. In the 18th and 19th centuries the jury system first appeared in England, with twelve members to determine the guilt and a professional judge to determine the punishment. The same system was adopted somewhat later by the

British colonies in the United States; the French also sought justice with the help of a wider circle of individuals—members of the jury. I would not claim that the jury system is a panacea because history has shown that it is an almost superhuman task to reach justice by men's deliberation. However, it is beyond all doubt that the jury system has certain democratic traits because "the more minds—the greater the wisdom." Naturally, more people on the jury make it considerably more difficult to influence decisionmaking than a telephone call to the judge and possibly a couple people's justices. For a long time the jury system was an issue chastely avoided in our country, although otherwise we were able to accept theoretical views on the judicial process that were coming from the USSR. Lenin said (referring to the jury system) that it is necessary to "adopt from the bourgeoisie whatever is the most valuable and most progressive among its achievements"; this statement was completely ignored and in essence, never discussed. In terms of actual judicial performance, the prestige of the prosecutors and attorneys would undoubtedly be enhanced because they would have to regain their rhetorical skills, and the wholesome competition of both parties involved in the lawsuit will be the first step toward justice. In their proceedings courts must suppress their tendency to presume that the defendant is guilty; they must consistently observe one of the basic principles of criminal proceedings—the presumption of innocence—and the ensuing rule "in dubio pro reo." We know, and statistics offer irrefutable proof, that acquittals were almost nonexistent, and appeals by prosecutors in favor of the defendants were quite exceptional.

[Prouza] If a private enterprise system is introduced, what task will legal defense or attorneys in private practice face in the new legal situation?

[Lzicar] Whether legal services will be provided by collectives or by individual attorneys, lawyers will face new tasks in the new situation. Over the past forty years, the view of legal services was gradually changing and the opinion was slowly accepted that legal services may help consolidate legality, protect citizens' rights and freedoms, including preventive education in developing legal culture and knowledge of laws. In the 1950's attorneys had been regarded as representatives of all negative aspects linked with the past and harmful to the workers' class. Completely misrepresented was the statement made by Lenin in another historical context about the tsarist legal services, which characterized us as follows: "Lawyers, those intelligent dregs, very often act shamefully and therefore, they must be kept in a state of siege and on a very short leash."

In the 1950's attorneys were tolerated basically in criminal cases, to pretend that everything was done in full agreement with the legal system, although the opposite was true.

Some of our older colleagues tell us that lawyers participating in staged political trials soon after February 1948

were ironically called "decorative plants in the courtroom." That in fact emphasized that legal services had only so much space the state powers would allow.

One may hope that in the future the fundamental mission of legal services will be strengthened and that lawyers will really help our citizens in their struggle for their rights, defend citizens' rights by all legal means, and that they will not accept with resignation violation of rights by anyone, even at the cost of potential personal unpleasantness which is occasionally a by-product of our profession.

If in the future the judge, the prosecutor, and the attorney will fulfill their obligations in accordance with their conscience and law, there will be no injustice. The end to our tragic past will occur when reviews of court sentences are completed and the wrongs committed are redressed.

Slovak Historian on Slovak Nationalism

90CH0075A Bratislava VEREJNOST in Slovak
20 Apr 90 p 2

[Interview with Ivan Kamenec, scientific employee of the Historical Institute of the Slovak Academy of Sciences, by Luba Lesna; place and date not given: "By the Way, on Nationalism"—first paragraph is VEREJNOST introduction]

[Text] In our conversation with Ivan Kamenec, scientific employee of the Historical Institute of the Slovak Academy of Sciences, we selected as our motto the quote by Paul Valery: "History is one of the most dangerous products which is worked out in the laboratory of our minds. It is an invitation to dream, it intoxicates nations, it arouses false hopes in nations, magnifies their reflexes, opens up their old wounds, causes them to be disturbed, and thrusts them into modes of megalomania or persecution mania."

[Lesna] Do you consider the wave of nationalism which is impacting on a number of countries of the former "Eastern bloc" to be indicative of this turning period?

[Kamenec] Nationalism is coming to the surface because its renaissance was latently present, but was being determined by the existing totalitarianism. You know, sometimes it is very difficult to establish the dividing line at which feelings of nationality become nationalism with certain militant elements. Nationalism in the old Europe is always a defensive or offensive reflex with regard to feelings of nationhood or nationalism which exist in a neighboring nation. I would rather stay in the area of historiography. Nationalism within the framework of central Europe, in Slovak history, exists as a sensitive phenomenon. Unfortunately, it is easily misused politically. I believe that it is a historical as well as a political anachronism if, toward the end of the 20th century, nationalism in central Europe is becoming an element of political movements, for example, when a Slovak National Party comes into being which sets as its goal the

protection of the rights of Slovaks. It is as if it did not recognize that we are dealing with an emancipated nation. The Slovak National Party should have disappeared in the 19th century. And something else. Nationalism introduces legends into history. These legends would not exist without nationalism.

[Lesna] What function did the Slovak state have from the aspect of nationalism?

[Kamenec] In a historical evaluation of the Slovak state and in its critical analysis, we are not dealing with the criticism of a state, but with criticism of a regime, criticisms which represent the results thus far achieved in our historiography as a totalitarian regime, characterized by fascist attributes. Even though its totality was "full of holes." (I take the liberty of citing one of the best characteristics, which was signed off on by Vlado Clementis.) When we consider the manipulated elections involving a unified list of candidates, the "unification" of political parties into one party, the "unification" of all trade union organizations, the constitutionally anchored leading role of the party to be the manifestations of totality in a single system which came to an end in November 1989, then it is necessary to point out that all of these attributes were also present in the political system in 1939-45. I can recall Section 58 of that Constitution, which empowered the Slovak nation to participate in the state power through the medium of the HSLS [Hlinka Party of Popular Socialism], which states: "The well-being of the Slovak nation is realized through the HSLS." The totalitarian and fascist character of the state was manifested, among other things, by the fact that it excluded 4 percent of the population of the time, designating it as a collective enemy of the nation and of the state. It made the anti-Semitic doctrine an organic component of government policy. The regime, which is defended by apologists by citing the fact that until the fall of 1944, in other words until the occupation of Slovak territory by Nazi units, no death sentence had been carried out, dispatched 58,000 of its citizens to Nazi extermination camps. Unfortunately, the Slovak state was the only country not occupied by the Nazis which carried out the deportation of Slovak citizens with its own power and administrative forces. This is not a criticism, but a statement of historical fact. A historian cannot be a judge, prosecutor, or defender. But he must attempt to seek the truth.

[Lesna] It is with displeasure that I find that in recent times, within the framework of certain rightist extremist-oriented movements and among certain individuals, there is a tendency to quasi-"rehabilitate" the era of the Slovak state and its leading representatives.

[Kamenec] The problem of the Slovak state, its regime and its protagonists, is recently becoming an unusually frequently visited problem in the mass communication media and at various public gatherings. In and of itself, this fact should be gratifying to historians. The public is beginning to take a vehement interest in one of the most dramatic periods of our state and national history.

Unfortunately, the interpreters of this problem area are rarely historians; they are, for the most part, publicists, "hobbyists" of history, or representatives of various political movements. However, they do not burden themselves greatly with learning the basic historical facts of the times about which they speak. They proceed on the basis of almost fragmentary knowledge, on the basis of various out-of-context citations, and they operate mostly through emotional elements, being governed by utilitarian political requirements. They frequently make use of the lack of information and the shockingly low historical consciousness of their listeners who consider the criterion of truth to be the diametrically differing explanations of our most recent history and its interpretation over the previous 20-40 years. Naturally, we historians carry our share of responsibility for this state of affairs. Nevertheless, I do not believe that all that which has been achieved by our historiography in recent years—and which was undoubtedly distorted by political pressures—must necessarily be simply rejected and that the public need be served a completely different explanation of history. In my opinion, this is again an attempt to achieve new distortions, against which we all vehemently struggle.

Impact of Political Refugees on CSFR Demography

90CH0130A Prague STATISTIKA in Czech No 4, 1990 pp 171-172

[Article by Dr. Vladimír Srb: "Demographic Decrements in Czechoslovakia for the Period 1948-90 as a Result of 'Illegal Departures From the Republic'"]

[Text] Official statistics covering emigration normally recorded an average annual decrease in population at around 1,000-2,000 inhabitants; an exception were the years 1967-70, which had an average annual decrement of around 7,700 inhabitants. In the 1980's, the annual decrements again ranged around 1,000-2,000 persons. The imprecise numbers of inhabitants who emigrated illegally each year were rendered more precise as a result of intercensus balances, because not even official estimates by interior authorities were available. A reconstruction of retrospective data regarding the decrease in population as a result of "illegally departing from the republic" can be derived from the table which lists the results of the processing of statistics covering the natural changes in that part of the population having permanent residences on Czechoslovak territory and the results of working out statistics showing emigration, with the approval of Czechoslovak authorities.

Czechoslovak Population Balance—1 January 1948-31 December 1988

Period Under Consideration	Population Increment			Number of Inhabitants at End of Period	
	Natural	Due to Migration	Total	Balanced	Based on Census Data
1 Jan 1948-28 Feb 1950	299,214	433	299,647	12,565,078	12,314,030
1 Mar 1950-28 Feb 1961	1,374,035	- 2,583	1,371,452	13,685,482	13,745,577
1 Mar 1961-30 Nov 1970	796,876	- 43,668	747,208	14,492,785	14,344,987
1 Dec 1970-31 Oct 1980	995,463	- 5,953	989,510	15,334,497	15,283,095
1 Nov 1980-31 Dec 1988	353,526	- 12,478	341,048	15,624,021	...
Total	3,813,114	- 64,249	3,748,865	x	x

The starting point for our review is 1 January 1948, when Czechoslovakia had a population of 12,265,431. Natural and migratory increments (decrements) for individual periods—most of which were periods between population censuses—make it possible to produce a population balance for individual periods. The table then compares the balanced figures for individual periods under investigation with the numbers of the population established on the basis of a population census. Because, until 1950, the population was counted from the standpoint of the location at which people were present at the moment of the census, whereas, beginning in 1961, the count was based on the permanent residence of the populace, census data were transposed to reflect the permanently resident population.

Effective 1 January 1948 through the end of 1988, the natural population increment amounted to 3,813,114. According to official statistics covering emigration abroad, the population decrement amounted to 64,249 inhabitants; overall, then, the population increment

should have been 3,748,865 inhabitants. If we add this increment to the starting population numbers as of 1 January 1948, the population of Czechoslovakia by the end of 1988 should total 16,014,296 inhabitants. According to data provided by the central statistical offices, however, the balanced numbers accounted only for 15,624,021 inhabitants. The difference of 390,275 can be designated as the balance of illegal departures from Czechoslovakia during the years 1948-88. These figures do not include estimates of demographic losses as a result of illegal departures following the 1980 census. If we estimate the annual decrement to be 5,000 individuals, then we must figure that the 1990 census will uncover the most recent intercensus decrement to be an additional 50,000, which brings the overall losses by the end of 1990 to 440,000 inhabitants.

If we compare the intercensus periodic balanced population figures for the individual censuses with the numbers resulting from the census, then we find that they were always lower than the figures according to the

balances, with the exception of the 1961 census, when the actual figures were higher than the balanced ones. This was the result, on the one hand, of converting figures for the "present population" to figures showing the "resident population," but also a result of the fact that even those people about whom it was not known whether they were present in the republic or not were counted as being "resident." Moreover, these figures reflected the so-called undercounts from 1950. The number of the population which eluded the census takers differed for individual census activities. As a result, this meant that very accurate statistics covering the natural movement of the population and relatively accurate statistics covering legal emigration tied in with possibly substantially inaccurate results of the population census itself following individual census actions.

The illegal departure of our citizens abroad weakened our economy, which was already laboring. We know from statistics covering emigration that the emigres include 80 to 82 percent of people in their productive years who, for the most part, were also actually active economically. We must assume the same regarding the age and economic structure of illegal emigres. As far as the professional composition is concerned, we can presume that those who departed were mostly skilled workers, both manual workers and nonmanual workers. If we take the decrement for the period 1948-50 to be 251,000 inhabitants, the figure for 1961-70 to be 148,000 inhabitants, the figure for 1970-80 to be 51,000 inhabitants, and the period 1980-90 to amount to 50,000 inhabitants, we can estimate the losses of life potential of the Czechoslovak population during these periods. Assuming the average age of those departing to be 35, and assuming the ratio of the sexes to be 2:1 in favor of men, and reflecting the indicator of additional average life expectancy of those departing (between 36.3 and 38.0 years), we reach a figure showing a loss of 18.5 million "person-years." It is also possible to estimate the magnitude of the loss of economic potential from the standpoint of the additional economic potential involved in the lives of these people: in the case of men, from 35 to 60 years, in the case of women, from 35 to 55 years of age, as we use these limitations in this country in analyzing manpower. On the average for both sexes, we reach a weighted life expectancy in the productive years of 23.5 years. The migration loss, thus, represents 11.8 million "person-years" lived at economically potential ages. By multiplying the annual productivity of a single worker, we can compute the economic losses even in terms of money.

Although it is possible to break down the national balance figures into indicators for the Czech lands and Slovakia, the results of inaccuracies in counting the population, both from the standpoint of the population count itself, but particularly from the viewpoint of the methodologically different practices of counting "resident population" and "present population," not only after 1961, but at present, we reach paradoxical results in some areas, results which are clearly not reflected in the

factual situation; in national balances, the majority of the reservations do not come into play or it is possible to explain them relatively well. And so, our retrospective balances contribute also to pressing the central statistical offices to perfect their preparations for and the actual implementation of census activities in the field—activities which should make a contribution toward seeing to it that the shortcomings in the population census are held to a minimum. Historically, it was always possible to evaluate our census activities at a higher level than those which exist in the other developed countries. However, this does not mean that this task cannot be further improved.

Prague Prosecutor Warns CPCZ on Illegal Activity

90CH0060A Prague SVOBODNE SLOVO in Czech
18 Apr 90 pp 1, 3

[Letter by Tomas Sokol, LLD, Prague municipal prosecutor: "Parallel With Fascism"—first paragraph is SVOBODNE SLOVO introduction]

[Text] Yesterday Tomas Sokol, LLD, the municipal prosecutor for the territory of the Capital City of Prague, made available to the editors of this paper the text of his letter addressed to the CPCZ Central Committee. Through it, he announces that as of 1 May 1990, the CPCZ's political activity on the territory of the Capital City of Prague will be examined on factual grounds that in the sense of Article 260 paragraph 1 annotation 2 of the criminal law it may be accountable for the criminal act of supporting and advocating fascism and similar movements. Among other things, the letter states:

"With respect to the period during which your party was part of the political spectrum in this country, these proceedings may give rise to certain doubts or confusion. However, from the standpoint of criminal law, the issue of duration of a certain situation is irrelevant. The bottom line question here is whether the CPCZ activity provides material grounds for criminal acts pursuant to Article 260 of the criminal law pertaining to those 'who support or advocate fascism or similar movements aimed at suppression of rights and freedoms of the working people, or who foment ethnic, racial or religious hatred...'

"This regulation protects our society on the one hand against the proliferation of fascist or Nazi movements in their essential form, and on the other hand, against similar movements. Certain criteria of such similarities are defined, for instance as in the 'Commentary to the Criminal Law,' published in PANORAMA 1980, pp 773-774. Concerning the fascist movement, it regards as typical expressions, among other things, 'eradication of all democratic rights,' and furthermore, it states that '... its main political methods are terror' and 'social demagoguery.' Consequently, the objective here is to consider to what extent are these factors in evidence in your party's ideology, or as the case may be, in actual actions

of your party in the past period. In view of the fact that in so-called East Europe your ideology and its specific applications were manifested practically in the same way, this correlation will be examined. In addition, actual demonstrations of the NSDAP's political programs will also be considered.

"Above all, it should be noted that in its essence the communist movement aspires to seize power by force. The atypical aspect of that movement is the fact that it does not regard itself as one in a certain system of political parties—a party that may gain but also lose political power if it competes in elections. It allows only for the first step, that is, seizure of power, and even that outside the usual democratic framework—by force. According to its ideology, that act puts an end to the period of bourgeois democracy and introduces completely unrestricted rule of the people who, naturally, are represented by the Communist Party. As its method of seizing power and its attitude to its opposition are concerned, communist ideology is very explicit: Force is a necessary means, as are eradication of the previous ruling class and destruction of existing organizations. For instance, Lenin's "State and Revolution" is nothing but an apotheosis of violence. Thus, this movement which is based on a program of violence strives systematically to break down existing systems and in particular, to exclude every other option. In other words, it means terror and prevention of the democratic right to choose any other alternative in the future. Here the analogy with Nazi ideology is more than obvious.

"There is no need for any commentary about the bloody methods by which in Russia these ideas were translated into reality and which cost, as already confirmed, scores of millions of victims. In the CSR Klement Gottwald was the first to publicly declare the policy of violent takeover of power and its consequences when in his maiden speech in parliament he threatened to follow the Russian example and liquidate his political opponents. After 1948 he fulfilled every word of his promise. Physical liquidation or long-term incarceration of his opponents and especially the scope of those who were included in that category are practically identical in communist and Nazi practices.

"Another very significant aspect of communist ideology should be underscored here. Essentially two stages are evident in the revolutionary process: the period of conquest and usurpation of power, and the period of actual use of that power. Precisely the latter stage was—and to some extent still may be—attractive. It promises far-reaching social securities, universal equality, dismissal of superfluous bureaucrats, improved living standard, etc. Of course, all that in a very non-specific manner. Unfortunately, the fact that this social utopia is not viable in real life could be put to the test only by practical application. Communists gained many supporters precisely because of their promises of this illusory abundance and because of this social demagoguery. In our state this situation opened them access to high positions in the government which they misused in 1948 to stage a

coup and thereby they seized all power. Analogy with NSDAP methods is almost absolute, including the enthusiastic response from the fanaticized part of the population.

"The period that followed is in all probability sufficiently familiar. One thing that should be mentioned here is that methods of repression were somewhat relaxed after the first wave of terror and violence. However, that is no proof of any fundamental change in ideology; only the intensity of repression was adapted to the intensity of resistance. Nevertheless, in essence communist approaches to the opposition did not change at all, as may be confirmed by numerous military aggressions as well as internal measures over the past forty years during which police repression opportunely complemented repressions carried out by the administration. In this respect again there is not the least difference between the two ideologies compared here.

"In addition to a great many minor objections against the above-mentioned legal view, we may anticipate several principal ones: references to the positive contributions to our country made during the communist rule; furthermore, the exception that communism and Nazism cannot be compared because of the horrors of World War II; the objection that the CPCZ, or even the entire communist movement has been truly reborn; and finally, the suggestion that democratic principles would be violated if the CPCZ were in fact excluded from our political life.

"Forty years of communist rule in our state have undoubtedly brought some positive contributions, of course, at the price of appalling and quite inordinate sacrifices. Moreover, it is increasingly obvious that the communist government had provided for our state an absolute minimum of what it in reality could have provided, and that it senselessly wasted—and in the worst instances, stole—most of our national product. In comparison, it should be noted that after the NSDAP had seized power it also introduced certain beneficial social programs and at least in the beginning invested in public facilities.

"However, in neither of the compared cases may that be an excuse in the overall balance of accounts which are appalling.

"Unlike the communists, the NSDAP acted more conspicuously in imposing its ideology of world rule and its theory of supremacy of the German race. Consequently, this triggered a global conflict. On the other hand, the communists focused their attention more consistently on systematic annihilation of their own population; in both cases, casualties amounted to tens of millions and are therefore comparable. Moreover, the communists made no bones about their aspirations to rule the world and under the guise of the so-called revolution for export they often overtly took the risk of touching off another

world war. We know well enough from our own history that they would never evade local aggressions or conflicts.

"The reference to the genuine rebirth of your party cannot stand the test, either. First of all, it is a moot question whether a party with such a bloody past can be reborn at all; even if it could, one can hardly see the proof of its rebirth in its few vague cliches about a new orientation, and the expulsion of a few scores of its members who supposedly were responsible for everything. First of all, its above-mentioned Marxist-Leninist ideology remains unchanged. Furthermore, all the communists who used to carry out the CPCZ's oppressive tasks with considerable vigor remain at least on regional and district levels. Among others, there is Vasil Mohorita who with other members of the State Security Corps physically assaulted peaceful participants at a dance only because they had signed Charter 77, and more than that, he regretted that the attack against them had not been even more brutal. It may be correctly assumed that your party has at its disposal additional thousands of individuals of his caliber. It is difficult to trust a political party which still staunchly refuses to publish any materials from its archives, including those on its long-time connections with the State Security Corps. It is therefore completely unthinkable to trust a political party among whose members are persons who during the night from 21 to 22 November 1989 tried to turn the tide of events by deploying the People's Militia, thus, again applying their favorite force.

"Democracy provides some space for individual political forces to maneuver. One may object against some of those maneuvers, but that is all that can be done, because this is what the pluralistic system is all about. Naturally, so long as some political party intends to misuse that space in order to seize power and consequently, to liquidate this whole system, then it is a mere parasite on the body of democracy and does nothing to strengthen it. Thus, it finds itself outside that democratic system and outside law. Your party has once before resorted to this method and there is nothing to suggest that it has made any fundamental changes in its strategy. Of course, a party of a left wing character cannot be excluded from our political life, even if it does proclaim utopia, as your party does. However, it cannot be a party striving for a violent change of the situation, through terror and destruction of democracy; in other words, it must be a party with a totally different ideology than yours. Of course, one may accept the constant objection of the communists that democracy is imperfect; nevertheless, it still is the best system we are capable of implementing at this time. Therefore, we must protect ourselves against anybody who may be at least justifiably suspected of intentions to destroy democracy.

"This last consideration is already outside our topic, because, as the above statement suggests, in questions of ideology and specific expressions your party aims to suppress the rights and freedoms of the working people, despite its declarations to the contrary. For that reason,

those who promote that party or its ideology may be prosecuted pursuant to above-quoted regulations, in addition to which Article 261 of Criminal Law, which penalizes expressions of support for fascist-like movements, may also be applied.

"This view was submitted to our daily press. However, on this occasion I respectfully request that you acquaint your members with it and that you inform them that there is no reason to prosecute anyone for mere membership in the CPCZ precisely because of our strongly democratic ideology and the consequent lack of the subjective aspect of a criminal act. The deadline set for the explanation of the true essence of your ideology and for the resolution of all administrative matters related to the liquidation of your groups on the territory of the Capital City of Prague, is 30 April 1990, inclusive.

Prague Procurator Receives Threats in Mail

90CH0139A Prague ZEMEDELSE NOVINY
in Czech 8 May 90 p 1

[Interview with Prague Procurator Tomas Sokol by Jan Subert; place and date not given: "A 'Bomb' Named Sokol"—first paragraph is ZEMEDELSE NOVINY introduction]

[Text] A bomb named Tomas Sokol, doctor of law, exploded with an unprecedented blast. In the end, however, it turned out that it was only a useful sparkler which for an instant had cast a bright light on our political scene. Two candidates for Communist deputies announced that at 1400 on the second day of May they will voluntarily present themselves to the Prague procurator to be taken into custody; as Dr. Sokol assured our editors, they have nothing to fear.

[Subert] Since early May you, as the Prague procurator, intended to classify the CPCZ [Czechoslovak Communist Party] as a political party with strong symptoms of Naziism. Why have you changed your decision? Were you afraid of an open conflict with our government? Or were you threatened by your superiors?

[Sokol] In the 19 April issue of your newspaper I explained and stated the meaning and objective of my letter to the CPCZ Central Committee. In its conclusion I said that the procurator general of the Czech Republic may hold a different view, and I underscored my intention to comply with it. Thus, all I am doing now is keeping my promise; in other words—I defer to the prosecutor general of the Czech Republic.

[Subert] I am sure that you have received a flood of letters. What did people write you?

[Sokol] The number of letters was enormous and moreover, often there were from one to three hundred signatures on a single sheet of paper. In their crushing majority, the writers agreed with my views as they suspect the CPCZ of the most sinister schemes.

[Subert] And the remaining minority...?

[Sokol] They use threats, invective and abuse, and promise me the pleasure of getting my legs broken by them. They say that no matter what, the State Security Corps will win and the red banner will wave again. The telephone threats, which are just as anonymous, demonstrate approximately the same spirit. The only writers who add their signatures and addresses are those who remind me that I had no experience of life under fascism; they reproach me for the fact that I had studied at the expense of the Communists. The letters written in this vein come mainly collective denouncing letters from the CPCZ's basic organizations.

[Subert] As far as I know, there are some exactly opposite suspicions about you, that is to say that your acrimonious attack against the Communists could be a clever move to consolidate their ranks...

[Sokol] If we disregard the fact that the Communist ranks have been consolidated long before the publication of my letter, that may sound quite feasible, and in fact, some letters do ascribe me such a role. For example, I read that I am an agent planted by State Security and that my task is to help the CPCZ. However, there are a number of different versions. According to some of the letter writers, I am following my own political ambition; according to others I am jockeying for the office of the prosecutor general. It sure is remarkable how many people are surprised that a prosecutor can reach his own legal opinion, and how many motivations are suspected to lurk behind it.

[Subert] What in your view is the most important issue at this moment of the election campaign?

[Sokol] To know for whom not to vote, and to realize that our passivity and nonparticipation in the elections would only help the supporters of the old order.

[Subert] And finally, could you tell us for whom you will vote?

[Sokol] In all probability, for the Civic Forum which was at the beginning of the revolution. However, I am in no way beholden to it, nor is the Civic Forum obligated to me, and so up to the last moment I shall keep my distance and critical judgment.

Czech Children Affected by Chernobyl Accident To Visit

*90CH0139B Prague ZEMEDELSKE NOVINY
in Czech 8 May 90 p 1*

[Article by CTK Moscow correspondent: "Children of Chernobyl"]

[Text] The Czechoslovak Government responded positively to the appeal from our Czech countrymen from the Korosten district in the Ukraine which was affected by the fallout from the accident of the Chernobyl nuclear reactor. They asked that about 240 children, some

accompanied by their mothers, be permitted to spend two months in the Czech and Slovak Federative Republic. The purpose of this humanitarian act is [to promote] their total recovery [from the effects of the accident].

New Social Security Regulations Reviewed

90CH0139C Prague PRACE in Czech 8 May 90 p 5

[Interview with Deputy Federal Minister of Labor and Social Affairs, university lecturer Dr Igor Tomes, Candidate of Science, by Jitka Skaloudova; place and date not given: "Social Security in a New Mode"—first paragraph is PRACE introduction]

[Text] Entrepreneurs as well as individuals who want to find interesting and well-paid opportunities in business awaited impatiently not only the law on private enterprise but also the legal amendment on social security and consequent governmental regulations on labor-law relations, and last but not least, all procedural regulations of the Federal Ministry of Labor and Social Affairs, including regulations on remuneration. That constitutes a whole package of legal norms which will become valid as of 1 May 1990.

Social Security

[Skaloudova] Mr. Deputy Minister, up to this point private farmers and individuals who used to provide works and services by permission of national committees had been disadvantaged in comparison with other employees in terms of medical insurance or pension benefits. Will this situation change?

[Tomes] Indeed it will; the draft of a law submitted to the Federal Assembly should be in force as of 1 May 1990. It should redress the injustice of forty years, and restore the principles of universality practiced in our national insurance until 1948. After all, the amount of medical insurance benefits, among other things, was considerably limited for private farmers who were not entitled, for example, to any benefits in sickness. The long-lasting discrimination also led to their retirement at a higher age and in lower pension benefits.

[Skaloudova] How will it look in the future?

[Tomes] The law and the procedural regulations, which will change and amend law 100 of 1988 on social security, and law 54 of 1956 on employees' medical insurance will make provisions not only for private farmers but for all self-employed persons and independent wage earners and their family members who work with them.

[Skaloudova] Who is considered an independent wage earner?

[Tomes] In addition to entrepreneurs and private farmers, also artists, and athletes who, according to their declaration, are engaged in professional sports for pay.

[Skaloudova] Must they have medical and pension insurance?

[Tomes] Yes, they must. If their annual income is in excess of Kcs 4,800, they must apply for insurance within eight days from the beginning of their activities, and report any cancellation of such activities to the appropriate office of social security no later than eight days after their termination. They will pay social security premiums no later than on the 20th day of the preceding month for themselves and for persons working with them.

[Skaloudova] How are the rates calculated?

[Tomes] The insured himself will select a base from Kcs 400 to 10,000 per month, according to which his payments will be assessed; as proposed, insurance premiums should amount to 25 percent of that basis. This structure was selected for the nearest period, because due to considerable tax exemptions and relief for entrepreneurs as well as to the lack of tax (revenue) agencies, for the time being it is not possible to proceed from the actual earned incomes. It is assumed that in the future, insurance premiums will be automatically deducted from reported incomes. In this conjunction I should like to mention the tightwads who prefer to opt for lower assessment bases; they should also expect lower income in the future.

[Skaloudova] What benefits will medical insurance provide?

[Tomes] The same as for other employees: benefits in sickness, financial aid to mothers, a bonus at the birth of a child, children's benefits, burial allowance, and treatment in health resorts.

[Skaloudova] Will all those citizens also be provided for in case of unemployment?

[Tomes] Because the regulation on aid to employees during organizational changes and to citizens prior to their employment cannot apply, those who will prove that they are in need of social aid will receive from national committees necessary cash allowance for food and other basic necessities and for living expenses. In addition, in emergency a one-time cash payment of up to Kcs 1,000 may be granted.

Labor Law Relations

[Skaloudova] In a market economy, it is not only a question of entrepreneurs but also of their employees. Will they not find themselves in a more difficult situation than employees of state enterprises?

[Tomes] That is not quite correct. However, our labor-law relations will recognize certain differences in their cases. For that reason, we must adopt a federal decree on such relations in private undertakings conducted by people. The ordinance is based on governmental authorization which changes and amends the labor code. This is imperative above all because during the early stages of

our transition to a market economy such enterprises in their absolute majority will be small, and we cannot expect from their owners the same achievements as from the owners of large enterprises.

[Skaloudova] What basic differences are there?

[Tomes] For instance, the legal procedures for concluding collective contracts and the responsibility for their fulfillment are different. Collective contracts may—but not necessarily—be concluded by the entrepreneur with an appropriate trade organization, and he and other specifically designated employees will be responsible for the fulfillment of such contracts. Furthermore, he may, or may not, issue work orders.

[Skaloudova] What differences are there at the termination of employment?

[Tomes] Employment may end on the day of the entrepreneur's death. It may also be instantly terminated if the employee violates the duties of his job in a particularly objectionable manner. Individuals may appeal only to the court. Arbitration does not come into consideration and punitive measures cannot be applied.

[Skaloudova] Will the entrepreneur have greater power than the organization in setting work hours?

[Tomes] Work hours may be irregular, but their average over a certain period, usually in four weeks or in a calendar year, cannot exceed the limit stipulated for weekly work time.

[Skaloudova] Is it not true that the care for these employees can hardly equal the care given in the state sector?

[Tomes] According to the new legal amendment the entrepreneur must provide, for example, meals or pay Kcs 10 daily in compensation.

Rewards

[Skaloudova] On 5 April 1990 the government already approved principles for rewards to employees in the private sector operated by physical subjects as small businesses with no more than 200 employees. Does that simplify the current complex wage regulations which no individual can easily follow?

[Tomes] Protection of employees stems from the stipulation of minimum wage according to no more than six categories applicable for workers as well as for employees of technical, economic and commercial undertakings. Minimum monthly wage is in the Kcs 1,300 to 3,000 range. Such wages must be guaranteed regardless of the employer's profits; the same applies for extra pay for overtime work in the amount of 25 percent of the minimum wage, or of 50 percent for night work or for work on weekends and holidays. However, a uniform surcharge amounting at least to 33 percent of the minimum wage may be set according to appropriate tariffs.

Furthermore, extra pay is due for work at heights or work in highly unhealthy environments.

[Skaloudova] Is this the end of what is obligatory?

[Tomes] As I say, only the minimum wage according to tariff categories is set. The upper income level will be controlled by progressive taxes on incomes above the stipulated amount. Responsible authorities are still discussing that amount. The entrepreneur is fully entitled to use various forms of payments—hourly wages, piece-work, shares, commissions, as well as premiums, bonuses, personal rewards, and profit-sharing; also, various extra payments may be offered. However, a specific method of payment must be agreed upon in advance with the trade union organization or with the employees.

[Skaloudova] Those regulations are valid only for enterprises with up to 200 employees. What will happen if a large private enterprise is established already at this juncture?

[Tomes] In that case we recommend that current wage regulations remain in force for the time being, but no later than until the end of 1991, because before 30 June 1990 the Federal Ministry of Labor and Social Affairs will submit to the government for consideration a draft of the principles for a new wage system.

Draft of New Employment Law Interpreted

90CH0096A Bratislava SMENA in Slovak
10 Apr 90 p 4

[Interview with Eng. Maria Janusova by Pavol Komar; place and date not given: "How We Shall Enter Unchartered Territory"—first paragraph is SMENA introduction]

[Text] One of the planned new legislative regulations, which the federal government recently debated, were the Provisions of the Employment Law. Because it concerns problems which touch practically every one of us, we asked Eng. Maria Janusova, CSc, member of the collective which drafted the provisions of the employment law, to explain the philosophy of the employment policy.

[Komar] We live in a time of dynamic social changes. Can you explain briefly the main reasons which led to the formulation of the Principles of the Employment Law?

[Janusova] The appropriate agencies have been preparing for some time already an amendment of Law No. 70/1958, which has been in force until now, concerning the tasks of enterprises and national committees in taking care of the work force. Since 1971 it was brought up to date during every five-year plan, it was adjusted to the changing economic conditions, but a fundamental turn around and a totally new approach in formulating the provisions of the law occurred after 17 November 1989. We are drafting it for the conditions of a market economy. For us that is an unchartered territory, an area

we do not know enough about, and therefore in drafting the federal law as well as the laws of the republics we drew on the experiences of developed countries, particularly those of Sweden where employment policy has a strong social aspect, but also on the models of the United States, the FRG, and Austria.

[Komar] There will be actually three employment laws: one federal and two for each republic. Would not one be sufficient?

[Janusova] No, because the federal central agencies are not engaged in all the areas connected with the creation, but most of all the implementation, of employment policy. To put it in simple terms, the draft of the Provisions of the Employment Law developed by the Federal Ministry of Labor and Social Affairs is limited to the content of employment policy under the conditions of a labor market. The manner of its specific implementation will be determined by the laws of the two republics. In the Slovak Republic, a draft of the Provisions of the Law of the Slovak National Council on the role of the agencies of the Slovak Republic in implementing employment policy is ready to be submitted to the Slovak Government. Finally, specific people who represent the work force live on the territory of two republics. In the future the demographic development will be different in each of them, and there is a different structure of production activities in them which will have to be restructured differently. Closely connected to that is also a different structure of the labor resources, particularly professional. These realities can bring about in the individual territorial areas a different rate not only of the professional but also the regional mobility of the work force. And in order to make it possible under such conditions to ensure social safeguards for the citizens, these differences will also require different implementation of instruments, or measures, to influence the supply and demand on the labor market. Also, when the national republics become more economically independent, the claims for financial support for citizens in the case of a temporary loss of employment will be paid from their resources. The scope for creating and implementing an employment policy that respects territorial specifics is to be determined by the republics' laws on the role of their agencies in implementing employment policy.

[Komar] The right to work is also being defined in a new way. Can you explain this new definition a little more?

[Janusova] The new definition was preceded by long discussions before we came to an agreement. It describes the right to work as "the right of citizens who wish to work, can work, and are looking for work". It is defined more broadly, and by the right to work is understood a right to be employed, then to also obtain a suitable job

immediately after a loss of the previous job, or the right to be retrained or receive financial support in case of a temporary loss of employment.

[Komar] Can we not read in that definition a "hidden" unemployment between the lines? The CSFR Minister of Labor and Social Affairs, Petr Miller, stated among other things at the recent 26th joint meeting of both chambers of the Federal Assembly that we are expecting an unemployment figure of approximately 40,000 people a year. Can we deduce something from this number for Slovakia?

[Janusova] We can read unemployment between the lines. It will probably take some time before we get used to this concept. I would not like to give a specific figure for unemployment in the Slovak Republic. I believe that we must expect certain structural and local unemployment, particularly in relation to the realization of structural and organizational changes. In connection with the assumed need to realize structural changes in the conditions in Slovakia and in connection to the above mentioned facts, we expect that it will be necessary to provide financial support to more than 20,000 people in case of their temporary loss of employment, which will require expenditures of roughly Kcs 500 million.

[Komar] A certain innovation will be also the labor offices. What will be their mission and how many of them will be in Slovakia?

[Janusova] According to the proposed Provisions of the Law of the Slovak National Council, the implementation of the employment policy is to be carried out by the state labor agencies. On the territory of the Slovak Republic these will be: the Ministry of Labor and Social Affairs of the Slovak Republic—we expect its establishment on 1 July of this year—and the district labor offices. They will take over from the national committees their present function as state administrators of the work force sector. The duties of the district labor office are precisely described in 16 points of one of the Provisions of the Employment Law. Among other things, it will, for example, provide information services about the possibility of obtaining employment, technical preparation, retraining, and available job resources, it will arrange suitable employment, keep a registry of available jobs, help employers to find suitable workers, ensure retraining of citizens, etc. The proposal counts with maximum staff of 800 in the labor offices.

[Komar] You mentioned retraining several times. Can you say how many workers this will affect and what are the experiences with carrying it out?

[Janusova] The proposed provisions of the law state that retraining should be taken care of first of all by the organizations. Under the new conditions, they will not be able to take the position when letting employees go—well, we do not need you any more, we are giving you notice. People should be retrained for skills which the organization needs. But as far as retraining goes, we are also only at the beginning. To get some experience,

we explored the need for it in some enterprises in Slovakia. Some of the organizations reported that they do not expect to do it, some organizations are not ready for structural changes, they do not know what their production programs will be. For the time being, the prevalent opinion in the organizations is that they will need retraining mostly in the form of apprenticeship. To illustrate I can tell you that the national committees are recording a higher number of people who are already changing jobs. During the first three months of this year, more than 27,000 people were looking for work in the work force bureaus. The allowance before starting in a job, as determined by decree No. 195, was given to almost 900 citizens. Most of the people looking for work are in the Central Slovakia kraj—more than 10,000, which is also linked to the conversion of the armament industry.

[Komar] Will preemployment support also extend to temporary unemployment?

[Janusova] According to the mentioned decree, those who apply for it must have been working at least one year out of the past three years in order to receive it. However, after the employment law goes into effect, financial support will also be newly adjusted.

[Komar] How many jobs are there in Slovakia? How many of them are available?

[Janusova] We have approximately two and one half million workers in the Slovak Republic. We can ascertain the number of available jobs from the data on available jobs as they are reported by organizations to the national committees. But those are temporary quantities, not always corresponding to reality. The yearly report speaks about 50,000 available jobs, but, on the other hand, a certain number of people are looking for employment because the available jobs do not match their expectations or their skills.

[Komar] In the introduction you mentioned that in drafting the employment laws you drew on the experiences of developed countries. What are the differences between our concept of employment policy and theirs? Is ours close to that of the developed world?

[Janusova] That is our goal, although we shall not catch up with the developed countries between the evening and the morning. Western models of employment are based on the interests of citizens. They try to meet their requirements by harmonizing their demands with work commensurate to their education. When decree No. 195 went into effect, some employees in the work force bureaus of the district national committees, mostly the older ones, behaved as if they had become guardians of the state treasury. Even if people met the conditions for preemployment support, they acted as if they were afraid to grant it. For years they have been trained in central-command management based on the philosophy that we must employ everybody. The matter had to be processed according to regulations, even though it may have involved, for example, a college-educated economist

who would obviously want to work in his field. Approach: These are the available jobs. You are not interested? Goodbye! Does not qualify. The labor offices and other offices of state administration which we count on, will be there, simply put, to ensure social safeguards for citizens, in this case to help provide citizens with jobs corresponding to their interests and the needs of employers. There certainly will not always be satisfaction on both sides, but we have to strive for it.

[Komar] When will the draft laws go into effect?

[Janusova] We expect that the federal law and the laws of the republics on employment will go into effect on 1 January of next year.

Controversy Concerning Federal National Product

90CH0075B Bratislava VEREJNOST in Slovak
20 Apr 90 pp 1, 3

[Article by Eng Pavol Susedka, adviser to the chairman of the Slovak Statistical Office: "Let Reason Prevail"]

[Text] We are returning to the article by R. Zukal, entitled "Let Reason Prevail," which was published in LUDOVE NOVINY on 21 March 1990 and which gave rise to a storm of adverse comments, not only on the part of the public, but also on the part of specialists. Our editorial offices have no desire to create problems with respect to solutions of the dilemma—quite to the contrary; we are trying to explain again the creation and utilization of the national income for the years 1987 and 1988.

Rudolf Zukal evaluates the distribution of the national income created in the Czech and Slovak Federal Republic to the national republics on the basis of an erroneous interpretation of its creation and utilization. He wrongly uses the concept—domestic product—which is a macroeconomic aggregate and which includes also the formation of national income in nonproduction branches. In our federation, this indicator is officially not counted, although its computation is being prepared in accordance with the methods suggested by the Statistical Office of the United Nations Organization.

The creation of national income for the Czech Republic and Slovak Republic does not include the creation of income based on foreign trade. This is a serious shortcoming because, for example, for the year 1988, some Kcs 52.5 billion of income in this activity was not distributed to the national republics. It is possible to find a certain lack of objectivity and overvaluation with respect to this number because, according to official Czechoslovak statistics, this would be by far the most efficient branch of the economy. The branch of industry in the formation of national income for the federation as well as the national republics is undervalued because it is reduced by subsidies paid from the state budget for foreign economic relations, which should be subtracted from the creation of national income in foreign trade. The absence of the creation of national income in foreign trade with respect to the national republics results in its utilization being higher than its creation in both republics, as shown in the following table:

National Income Formation, Excluding Foreign Trade (in million Kcs at current prices)				
Item	1987		1988	
	CR	SR	CR	SR
National income created	374,210	163,653	385,122	168,759
2. Losses	5,781	2,201	5,683	2,579
Disposable national income after subtraction of losses	368,429	161,452	379,439	166,180
Utilized national income	391,051	174,209	296,131	183,673
Difference (3 - 4)	- 22,622	- 12,757	- 16,692	- 17,493

Thus, the Slovak Republic is dropping behind the Czech Republic both with respect to the formation and also utilization of national income. In 1988, its per capita level, in comparison with the level of the Czech Republic, was lower with respect to the formation of national income by 13.6 percent, with respect to utilizing the national income by 8.6 percent, including a decline in personal consumption by 8.6 percent, a decline in material social consumption by 14.2 percent, a decline in

the increase of basic assets by 11.5 percent, and a decline in the change of status pertaining to uncompleted construction by 1.6 percent.

Data presented in the following table makes it possible to judge the areas in which the utilization of national income in the Slovak Republic, in the context of the CSFR, is higher than its share in the formation of national income for the entire CSFR.

Utilization of National Income, 1988
(in current prices in million Kcs)

Item	CSFR	CR	SR	Share of SR in CSFR (in percent)
National income created	553,881	385,122	168,759	30.47
Total national income utilized	579,804	396,131	183,673	31.68
—Of which: Personal consumption	330,362	225,764	104,598	31.66
Material social consumption	149,572	104,194	45,333	30.32
Accumulation	99,915	66,173	33,742	33.77
—Increases in basic assets	82,327	56,823	25,504	30.98
—Change in status of uncompleted construction	6,983	4,656	2,327	33.32
—Increases in money in circulation and supplies	10,605	4,694	5,911	55.74
National income created in agriculture	38,692	26,287	12,405	32.06
Fund of individual distribution in agriculture	43,521	26,614	16,907	38.85
Difference (6 - 7)	- 4,829	- 327	- 4,502	93.23

The share enjoyed by Slovakia in the CSFR utilization of national income is, in comparison with its share in national income formation, higher with respect to personal consumption of 1.19 percent, which represents a sum of Kcs 3.93 billion. This results primarily from unfavorable natural conditions for agricultural production in Central Slovakia Kraj and in East Slovakia Kraj. In this branch, the fund of individual distribution, that is to say, the monetary awards for work and payments in kind in the Slovak Republic are higher than the creation of the national income.... In 1988, this amounted to Kcs 4.5 billion, which influenced the higher volume of personal consumption in the Slovak Republic. In view of the unified price policy in the federation, this increase in the volume of personal consumption is objective. Personal consumption includes consumption by workers and their family members traveling to the Czech Republic for work, which represents approximately Kcs 980 million.

The balance of population migration between the republics in 1988 amounted to 3,364 citizens. The training and education of these citizens during the period of childhood and school attendance was accomplished exclusively with budgetary means of the Slovak Republic and with assets of the population and represents approximately Kcs 1.35 billion.

In terms of material social consumption, Slovakia accounts for a lower share of its volume than is its share in the creation of the federal national income. On the other hand, a higher share of accumulation is based on the differing branch structure of the national economy and in 1988 resulted from the disproportionately high increase in money in circulation and supplies. For the entire federation, this represented an increase of Kcs 10.6 billion, with Slovakia accounting for Kcs 5.9 billion, that is to say, 55.7 percent. In contrast, in the preceding year—in other words, in 1987, Slovakia's share was only 16 percent. The volume of growth with respect to basic assets and the change in the status of uncompleted construction for the CSFR was Kcs 89.3 billion, with Slovakia accounting for Kcs 27.8 billion, which is 31.2 percent.

With respect to the share of Slovakia in the formation of the national income for the CSFR (30.47 percent), the volume of investments in the Slovak Republic in 1988 was higher by Kcs 616 million, which is a very low volume in view of the fact that Slovakia is falling behind with respect to public facilities in the form of nonproductive basic assets.

In the first table accompanying the article, the difference between disposable and utilized national income for 1988 was computed and represents Kcs 17.49 billion for Slovakia. If we take into account the creation of national income for foreign trade, which is approximately estimated at Kcs 14.36 billion (the maximum estimate is Kcs 15.96 billion) and the influence of additional factors upon the utilization of national income, then the volume of objectivized utilization of national income in the Slovak Republic for 1988 was lower than its creation, as shown in the following overview:

Item	Billion Kcs
Disposable created national income (excluding losses and excluding foreign trade)	166.18
Created national income in foreign trade	14.36
Total of 1 + 2	180.54
Utilized national income	183.67
Difference between 3 and 4	- 3.13

The volume of utilized national income in the Slovak Republic is higher as a result of the functioning of the following factors:

Item	Billion Kcs
Influence of agriculture upon higher level of personal consumption	4.50
Influence of commuting to work from Slovak Republic to Czech Republic	0.98
Influence of population migration from Slovak Republic to Czech Republic	1.35

By adding up the above three influences, we reach a sum of Kcs 6.83 billion which should be lowered with respect to the utilization of national income in the Slovak

Republic. So that the resulting balance between disposable and utilized national income in the Slovak Republic was on the active side at a level of Kcs 3.7 billion. After solving the problem of the objectivity of the computations pertaining to the creation of national income in foreign trade with respect to the national republics, it will be possible to render the above balance more precisely.

A generally unobjective and tendentious computation involves the amount of Kcs 150 billion which is redistributed by the state budget as of 1972. Thereafter, this redistribution would show that Slovakia received less from federal sources than would correspond to the principles of a unified Czechoslovak economy. The question of distribution of subsidies in the federal budget to the budgets of the national republics was objectively analyzed by the Slovak minister of finance, wages, and prices, Eng. Marian Tkac, in the daily PRACA on 28 March 1990.

Charter Member's Apartment Bugged Again

90CH0108A Prague TVORBA in Czech 18 Apr 90 p 2

[Unattributed article: "Letter to Minister of the Interior"]

[Text] Former Charter 77 spokesperson and leading defender of human rights, Stanislav Devaty, sent the following letter, dated 8 April 1990, to Richard Sacher, Minister of the Interior for the Czech and Slovak Federative Republic [CSFR]. In the letter he informs the minister about the discovery of a listening device in his apartment. We are publishing the text of the letter, which Stanislav Devaty sent to us for publication:

Dear Minister,

A few days ago I found a functioning listening device in my apartment. My neighbor, through whose apartment the wiring for the device was run, assured me that shortly after the device had been installed he personally disabled it. He further informed me that the wiring currently installed is heavier and another color, which means that it has been replaced.

Certainly I could remain calm and say to myself, let them bug my apartment, even though I don't know what they expect to gain by it. They have been aware of my views for 20 years now. I know that your time is valuable, Minister, and that you therefore will not pay any attention to this matter. I am therefore taking this opportunity to call the attention of the general public to these forces of darkness. And one more thing: I don't know to whom I could return the listening device, since State Security no longer exists.

Or does it exist?

GERMAN DEMOCRATIC REPUBLIC

Erfurt Stasi Survival Discussed

90GE0088A East Berlin NEUE ZEIT in German
27 Apr 90 p 3

[Article by Klaus Bruske: "A Document of Perfidy—Erfurt Citizens Intend to Prevent a New Hydra-headed Stasi"—first three paragraphs are NEUE ZEIT introduction]

[Text] Let us speak of a fabled monster. Its name was Hydra, a water snake with nine heads. Its poisoned breath destroyed everything. Then Hercules, the hero, chopped off Hydra's heads. But two heads grew back for every one he had severed. Then he burned out what was left of the snake's necks. Hercules used the monster's bile and blood to poison his arrows....

Is Stasi dead? The members of the independent investigating committee in Erfurt which has been trying for the past five months to uncover the "conspiratorial" activities of the local bezirk administration of the former ministry for state security say no. The modern-day Hercules, i.e., the people, may have chopped off the nine heads of the modern-day Hydra but it has submerged and grown back its heads underwater.

Christian Hoffmann, Dieter Seidel, Elmon Karran, Holger Eisenberg, Volker John, Wolfgang Hase, and Matthias Buechner do not feel strong enough as yet to take hold of the torch that would burn out the stumps of the monster's necks. But along with others throughout the country they have collected enough flammable material to kill off the poisonous monster once and for all.

The Petersburg Fortress

If one deals with the monster (or with monstrosities) day in and day out one even learns not to be appalled any longer. Then one grows accustomed to the kinds of things that make a newcomer's hair stand on end. I at least quickly choked on flippant and rather harmless-sounding phrases such as "Stasi-Nasi" when I first entered the forbidding edifice at the foot of the Petersburg in Erfurt. So these were the dank and oppressive rooms where that cold instrument of power was housed whose principal motto was that "the end justifies the means."

And then that hall; that chaos of Stasi perfidy. There are long tables piled high with once top secret documents. A blue diagonal line across the cover sheet stood for "Vertrauliche Verschlussache" (VVS) or confidential and a red line for "Geheime Verschlussache" (GVS) or secret. The latter were frequently marked "personal." The highest classification was "Geheime Kommandosache" or top secret.

There is a large map of Erfurt on the wall with the locations of safe places and hideouts. They even used the sewers. Those marked in red were easily accessible; those

marked in green were accessible, and those marked in blue were difficult to access.

Even horrible things are unintentionally funny at times. There is a bronze and porcelain ancestors gallery here, collected from the vast number of rooms inside the building. Marx's bust, as massive as ever, has been graced with the caustic inscription: "His teachings are vacuous now." [Play on words: Lehre=teaching; Leere=vacuum] The bald head of [prewar communist leader] Ernst Thaelmann is wearing a wool cap which probably belonged to some informer once. There are lots of significantly smaller likenesses of Feliks Edmondovich [Dzerzhynski] bearing his motto: "Only those with a cool head, a fervent heart and clean hands can be members of the Cheka. Chekists must be cleaner, more honest than all others; they must be as clear as crystal." The "clear crystals" viewed themselves as a knighthood called upon to annihilate the infidels. They went into battle carrying a sword and a shield. I suddenly realize that as I notice an otherwise meaningless detail, i.e., the Stasi symbol on a document.

The men who stopped being scandalized months ago are sitting in the midst of all of these remnants of a dark past—sifting through the material as always, collecting it and putting it in order.

The Political Machine

When the incensed and apprehensive citizens of Erfurt carried out their non-violent occupation of the Stasi fortress on Andreasstrasse on 4 and 5 December, the move to go underground based on orders from on high was already in full swing. It is impossible to say today how many documents and pieces of evidence were destroyed according to plan or sequestered at that time. At any rate, the vast scope of the political machine initially took everyone's breath away. First of all, there was the formidable old Luftwaffe headquarters building constructed in 1943 which housed the 1,500 full-time Stasi employees stationed here. Then there was the new building next door, now being used by the postal service, in which the modern wiretapping center was located. In addition, there was a supposedly nuclear bomb proof shelter and a jail. There are some 4.5 kilometers of documents weighing about 200 tons on citizens kept under surveillance and on unofficial employees (IMs). They are being kept under lock and key by the state prosecutor's office now but no one knows whether they were still complete at the time of the building takeover. There was also a multiple-coded file containing brief bits of information on individuals arranged phonetically and according to operational procedures. In this instance, too, there is no telling whether it is complete either. The citizens committee no longer has access to this file either.

There are some 500 additional Stasi locations listed throughout the bezirk, e.g., hideouts and clandestine apartments. The list was laboriously compiled from bits and pieces of information discovered inside the building, from the main computer in Berlin and from information

provided by the population. It is now known that a great deal of additional information was transferred to other jurisdictions in time, e.g., to the customs service or the NVA.

The members of Erfurt's independent investigating committee are convinced that the Schwanitz staff of the MfS [Ministry for State Security] which had been recast as the Office for National Security in name only was extremely skillful in obfuscation, destruction, and in going underground. For this reason they go on the assumption that large parts of the Stasi apparatus are still intact and that it can be reactivated at any time under a different name and under different leadership. Almost all areas of society were infiltrated by Stasi spies, called IM's, as if by a malignant cancer; blanketed by a vast network of informants who were kept on a tight leash. By modest estimates 10-15 percent of the population earned some blood money from the MfS in one way or another.

The Informants

The more the committee kept digging into the Stasi apparatus, the clearer it became to its members that the hierarchically structured bureaucracy of full-time employees would never have been able to function without the help of "honorary," unofficial staff members. They represented the principal weapon in the struggle against the "internal enemy"; the iceberg which kept its tip afloat. A variety of methods was used to recruit and train the informants and to keep them in line. As a rule, large groups of informants were controlled by Stasi officers. Christian Hoffmann cites the following example: an intelligence officer whose name is known and who worked for the bezirk administration of the DVP [German People's Police] controlled a network of 16 informants. For doing this job, he received a supplementary payment each month in addition to his no doubt substantial salary which might total up to M 12,000 per month, depending on the individual's rank and assignment with the Erfurt MfS office. There also were full-time informants who worked for the Stasi on an unofficial basis. They were given a fictitious contract and carried a second social insurance ID. Since all informants can be blackmailed and since they do not know each other, the control officer running the network had and/or still has a hold on all of his particular informants.

The training materials discovered at Andreasstrasse contain instructions on methods ranging from persuasion to blackmail to be used in recruiting potential informants. The MfS guard regiment "Feliks Dzerzhynski," for example, was particularly well known for its ruthless and sophisticated recruiting methods. Recruiting even began among children of school age, i.e., among 14- and 15-year-olds. Informants were paid according to their assignment and the value of the information they supplied. Top informants, who received part of their pay in West German marks, made up to 5,000 marks per month in addition to their regular earnings. Others had to make do with a package every three months containing a little coffee or a bottle of liquor. Retirees who acted as

informants had their rent paid for them. Let us refer as an example to one particular operation which went by the name of "Rose." In this specific case, massive pressure was exerted on a foreigner living in the GDR in connection with an alleged but unsubstantiated attempt to escape to the West.

VVS and GVS

"Why don't you show me something?" I asked the committee and before I knew it I was looking at a number of directives marked VVS and GVS. I wouldn't have believed it if I had not seen the painstakingly written instructions, e.g., a document marked GVS dated 21 June 1979 which spelled out how the work and wage offices at the kreis and bezirk councils could best be used to support the nefarious activities of Stasi.

On 2 January 1984, Minister Mielke signed an updated directive concerning the use to be made of Line 26, i.e., the monitoring of telephone calls, telex and teletype traffic; acoustic surveillance in closed spaces and enclosed open spaces; optical and electronic surveillance and documentation; the employment of special security technology and chemical marking equipment. A document dated 4 December 1984 states that Stasi may requisition any piece of property regardless of ownership rights. Directive 1/88 signed by the head of the Erfurt Bezirk Administration explains in loving detail how to pick locks and break into premises for the purpose of conducting clandestine searches. A directive dated 16 August 1989 prescribes that Stasi should have access to all data bases throughout the country.

Exhibiting particular disgust, the members of the investigating committee showed me a document dated 18 January 1989 entitled "instructive-methodical material on taking countermeasures against hostile-negative groups of individuals." The directive bears the signature of Maj. Gen. Dr. Schwarz, the former Erfurt Stasi chief, who is peacefully living on his no doubt substantial pension. It is a true example of perfectionist perfidy.

Based on its motto that "the end justifies any and all means," the MfS first pats itself on the back and then, grossly misinterpreting the actual situation, goes on to say the following: "By carrying on this silent form of combat against hostile-negative, i.e., political underground activities, the MfS is making an important contribution to supporting our party's policy of dialogue and to strengthening the internal reputé of the GDR."

The methods to be used are then enumerated. Informants are to infiltrate the so-called hostile groups and to apply "subtle pressure" on the psyche of the targeted individuals. The informants are to create disinterest and arouse fear of personal disadvantages, including that of being subjected to criminal prosecution. "The activities of the so-called church basis groups are to be fragmented in such a way," the document goes on to say, "that they turn their attention to a variety of less explosive political issues, e.g., hunger in the Third World, relief for the disabled, for alcoholics, and former criminal offenders as

well as feminist projects, etc." The support of church leaders should be sought in introducing more theology into the activities of the basis groups.

The directive reaches a height of cynicism when it calls on the informants "to undermine the reputation of selected hostile-negative individuals and cast suspicion on them. Accusing people of working for the MfS has proven particularly effective in this context."

Other suggestions for combatting dissidents tend to pale by comparison, e.g., encouraging them to leave the country; addressing anonymous letters or telegrams to them; spreading rumors on specific individuals; compromising them by accusing them of ties to right wing extremists; inducing hysterical or depressive behavior or accusing them of plausible criminal and morally reprehensible acts and tendencies.

Toward the end of the document the Stasi authors appear to realize that all this may not be of much use. "Experience has shown that the impact of demoralizing measures is limited in time as a rule and that these measures will not keep hostile elements from joining up with other hostile elements for any length of time." How true. We have lived to see it happen.

The Hunger Strike

On 28 March, members of the investigating committee and the citizens guard which is responsible for securing the Stasi building together with the People's Police went on a hunger strike. Why?

On the Friday prior of the People's Chamber elections on 18 March some very familiar sounding names of informants were discovered, i.e., the names of candidates for People's Chamber seats from the bezirk. These candidates have since been elected and have taken their seats in parliament, maintaining that their background investigations cleared them of any wrongdoing. The committee experts do not doubt this for a minute. For one thing, the information available in Erfurt need not be available in the central files in Berlin. As a rule, a second background check of candidates in their home bezirks is not done. For another thing, the central files in Berlin are still checked by former Stasi officers and not, as in Erfurt, by independent committee investigators. Anyone who knows how complicated the coding system of the Normannenstrasse personnel files is will not rule out the possibility of intentional manipulation.

The Erfurt citizens committee has various pieces of evidence in hand and is keeping them in a safe place, e.g., the names of People's Chamber deputies and as yet anonymous Stasi control officers. It also has directives in its possession which prove beyond the shadow of a doubt that informants were to be infiltrated into leading positions in the bloc parties and, as of September 1989, into the new parties and groupings.

The committee no longer assumes that it will be disbanded which is what happened shortly after the election

and which, in turn, prompted the successful hunger strike. The committee members who have been working hard with a great deal of personal commitment for several months to overcome the unhappy Stasi heritage intend to work with equal dedication for Dr. Diestel, the new minister of justice and honor his invitation to collaborate with the parliamentary investigating committee and the government commission.

But they need to be certain that the putrid Stasi swamp will finally be drained for good and will not reemerge by another name. They do not wish to shoot any poisoned arrows like Hercules but another Stasi-Hydra, by whatever name, must never again be allowed to exist in German history.

HUNGARY

Decree Allows Rewriting of Cadre Records

90CH0143A Budapest VILAG in Hungarian 26 Apr 90
p 7

[Unattributed article: "Repainting or Renewal?"]

[Text] At first a few ministries, and then Hungarian Television and Hungarian Radio indicated that, to the outrage of many, the rewriting of cadre materials has begun. Even some backdated new autobiographies may be created, thus making facts that are becoming a nuisance disappear, the ones which could be perhaps underscored before as merits. Well, in response to Council of Ministers Decree No. 22/1990, former party assignments and decorations which entitled a person to special benefits may have disappeared from many cadre forms, but supposedly the decree was not promulgated solely for this purpose. The decree promulgated early this year amends Council of Ministers determination 1001/87, on grounds that earlier provisions required the presentation of data which violate privacy rights. The amendment regards the showing of data pertaining to party standing, the spouse's workplace, the level of political education, and financial situations as violations of privacy rights, and ordered that such data must be left out of the so-called data sheets of personnel materials. But according to rumors, the rewriting of autobiographies also exists, and these rumors are not entirely without foundation, because the amendment of the legal provisions proved to be too grandiose in terms of the speed at which it was written and released. It did not provide, for example, for what must be done if autobiographies contain objectionable material. Namely, personal data are composed of several parts, and facts contained in an autobiography are included based on a decision by the person who wrote the autobiography. Thus, since the earlier coordinating role of the Ministry of the Interior in regard to personnel work has ceased; no central interpretation of the decree has been provided. Everyone interprets the decree differently. As the Ministry of Justice indicates, professional qualifications also presented serious concerns. Of these statements not only the latest, but all previous statements must be preserved, and this

may violate privacy rights. The Ministry of Justice chose the solution of both retaining and not retaining these—within the classifications they retained the old facts, but they will be classified as secrets once they are placed in the archives and until archive research is performed.

Revealing, Thus Far Unknown Documents From Kadar's Vault Published

Grosz Blamed

25000723B Budapest NEPSZABADSAG in Hungarian
25 Apr 90 pp 1, 7

[Article and interview with Dr. Sandor Balogh, director of the Party History Institute, and Dr. Sandor Nyiri, first deputy supreme state prosecutor; place and date not given: "Where Are the Original Documents From Kadar's Vault?"]

[Text] The publishers—Szabad Ter—obviously underestimated the interest this volume would attract. The volume entitled "Documents That Were Not Incinerated" was published last week in 30,000 copies. They sold out in a matter of two days. Other volumes collect dust on the shelves practically for months. One can understand people who buy this book: After all, one seldom has access to a series of documents published in a lean volume for 75 forints, virtually all of which are being made public for the first time.

Some of these documents were regarded as especially secret, so much so that even the deputy supreme state prosecutor, Dr. Sandor Nyiri, and Dr. Sandor Balogh, director of the Party History Institute, saw these documents for the first time in this booklet. Previously they were unaware of the existence of these documents. But aside from these two people, only a few are familiar in more detail with the still secret files of the era's political events.

Rather than describing this volume, we are publishing the index to this volume, an excerpt from the foreword, and excerpts from two of the documents.

We first paid a visit to Professor Sandor Balogh, director of the Party History Institute. The Hungarian Socialist Party presidium appointed Professor Balogh to head the committee to receive the bequest of Janos Kadar.

[NEPSZABADSAG] "Professor, what was your first impression of this volume?"

[Balogh] "Outrage. It is difficult to qualify this matter other than by saying that this is the Hungarian Watergate. The documents of an executive secretary, like those of Janos Kadar, must not constitute private property. In regard to these documents, no one, not one person, has sole authority; no one may dispose of these freely like over private property. Our committee began reviewing the documents contained in Janos Kadar's vault when Kadar's widow, with the help of the secretariat personnel, sorted out the material of an expressly private

character (private correspondence, greetings, congratulations, etc.) from the bequest. The first thing I did after receiving the book was to check whether the materials described in the index of the book are among the bequest we took over, the one our associates made an inventory of on location, at Kadar's secretariat. Only three of these documents could be found, accordingly one may rule out that the editors received the material after we received it. What I am asking is this: Where are the original documents?! From this standpoint this case is unprecedented. Because there is no historical publication which presents documents, yet keeps the secret of where the originals of those documents may be found, how many documents there are, etc. In general, what guarantee is there in a case like this that these documents are authentic? And there is something I really regard as vile. What does it mean: "Documents That Were Not Incinerated?" Our associates did not spare any time, and they sacrificed weeks of work to store the documentary material, and here the title echoes the charge leveled by extremist forces: as if there had been a burning of documents."

Dr. Balogh's associates who took part in the conversation confirmed and supplemented what Balogh had to say. The fellow librarians make distressing criticism of the quality of editing: There are places where the title is obviously not the original title, and others where an extract from some minutes are designated as the minutes, and yet there are some places where no date appears. No footnotes assist the reader to find his way. Wherever the name "Des" appears, the supplicant Gabor Peter obviously had Gheorghiu Dej in mind. Perhaps even more important is what First Deputy Supreme State Prosecutor Dr. Sandor Nyiri had to say.

[Nyiri] "One can find documents here that could have been useful in reviewing the Imre Nagy case. And we would be very interested in just why we could not have access to them at the time. I always had a feeling that the information I had was not of full value."

We also talked to the editors of the volume: Peter Brody and Gabor Koltay. (Brody was a political associate at the Hungarian Socialist Party [MSZP] and Koltay is the director of Szabad Ter Publishers.) They said that when they held personal discussions with Karoly Grosz, then executive secretary of the Hungarian Socialist Workers Party [MSZMP]—they wanted to publish a volume concerning the career of Grosz, the politician—Grosz handed to them the documents contained in the volume with the explanation that we could also find in the foreword that the previous executive secretary had entrusted these documents to his successor. According to Koltay and Brody, the original agreement between the editors and Grosz was that all of these would appear as an appendix to the volume written about Grosz. Subsequently, upon studying the material, Koltay concluded that the material was not directly related to the book being written about Grosz' career—the writing of that book has stalled since—and therefore, as Koltay says, he requested and received a verbal permission from (then still MSZMP Executive Secretary) Grosz to publish these

documents in a separate volume. The editors feel that they served a good cause, they enlightened the public. They felt that it would not be necessary to ask Mrs. Kadar: Not even the medical report which is clearly of a personal character prompted them to do so. According to Koltay they did not find this necessary because they were aware of the good relationship between Grosz and the Kadar family. (Could it be that the medical report is also in the sealed envelope mentioned in the Kadar inventory, as shown in the illustration on the first page of this newspaper?)

We were unable to talk to Grosz in regard to this matter; we could not reach him. We do not wish to qualify anyone's intentions; we are not familiar with all the facts. Nevertheless, at one point it is still scandalous that it depends on coincidence as to who, and how professionally one publishes the most important documents of the Hungarian past. And we must ask once again: How many more documents are there? Where are the original documents reproduced in this volume?

Excerpt From Foreword

25000723B Budapest NEPSZABADSAG in Hungarian
25 Apr 90 p 7

[Excerpt] We are witnesses of an age in which the system is changing. One may assume that the leadership of the state apparatus will change, and that part of the party buildings will be used for public purposes. It is in such times that one hears: "If these walls could just talk!"

Even if walls cannot talk, the former contents of vaults which guard heavy files serve to prove the events of the past 40 years, and assist in the understanding of correlations. Particularly if such files come from a vault like Janos Kadar's. Together with other material, documents that were closely guarded for decades found their way to our publisher, and many of these documents provide sensational information. Janos Kadar sensed and knew that in order to clarify and to see clearly, these materials must be made public sooner or later. This is one reason why he entrusted part of the documents he thought were most important personally to the then executive secretary of the party, Karoly Grosz. From among the members of the leadership he alone followed the last period of Kadar's life directly, from close up.

These days, when documents are being destroyed in many places, some important materials could be lost, documents which could help in the better understanding of the past decades, and could contribute to staid analysis and to the revelation of related events. Openness could also have been of great help to the previous political system, and had openness existed, it would perhaps be possible to more easily understand the character of the heavy, tragic legacy that was brought along from the past, its anachronism which rushed the nation into tragedy, and subsequently, the impossibility of its "dance while being tied into knots." Kadar knew well that even if with a substantial delay, it will be necessary to publicize the "secrets" guarded in the vault of the

person who served as the first man of the country for a long period of time, secrets which all of us have a right to see just as we have a right to have access to other leaders' documents which affected the country's fate and are guarded in their own, personal archives. [passage omitted]

1945 National Assembly President Bela Varga Interviewed

25000722A Budapest NEPSZABADSAG in Hungarian
29 Apr 90 pp 1, 3

[Telephone interview with Bela Varga, first president of Parliament after World War II, emigre, and New York resident, by NEPSZABADSAG Washington reporter Peter Sereny; date not given]

[Text] The afternoon before he left for Budapest—just before he stepped out of his home to do the usual things one does before a big trip that is also historically great—we reached Bela Varga over the phone in his New York home. He was the first president of Parliament after World War II. In introducing himself our Washington reporter mentioned that NEPSZABADSAG was not only the newspaper with the largest circulation, but that it was also a left wing, socialist newspaper. The Smallholders Party politician who has lived in emigration for more than four decades, and who served as president of the first National Assembly after World War II had this to say in response to the introduction:

[Varga] I also walked the leftist path, the left of center path during my life. I was the one who formed the socialist-smallholders agreement against the Germans during the war. Many did not like it, but I did not give up: Workers and peasants let us unite, and let us defend our freedom against Hitler. You may include this statement right now in the interview.

[Sereny] But still, perhaps it is a sign of acquiescence that Bela Varga is now making a statement to NEPSZABADSAG, isn't it?

[Varga] A person is a human being when he begins to respect the other person's opinion, irrespective of what that is.

[Sereny] Don't you feel offended after being forced to be absent from Hungary for so long—43 years?

[Varga] I do not feel offended. Thank God, never in my life did I feel anger. Fate brought us the terrible situation of becoming involved in the war. We lost the war, Hitler came, Stalin came, well, who would have been able to resist them? The result would have been the same irrespective of who governed.

[Sereny] What kind of feeling is it to see one's home country again, after a lifetime of absence?

[Varga] I liked my homeland. I am a descendant of a poor peasant family; no one could like his homeland more than I do, because I brought my homeland along in

my heart into exile. My homeland remained with me, I did not leave it. And I did what I could for people, for the community, and helped thousands and thousands of refugees. Along with the sadness of exile, this was the joy of my life.

[Sereny] Have you previously entertained the thought of perhaps paying a visit to your home?

[Varga] No, because I did not want to create problems either at home or for myself. Somehow, even this is evolving so miraculously. No one expected the events to evolve this fast. I sensed that the situation would not remain the same as it was, but to have free elections in Hungary this fast.... I am very happy about this, because in those days the first program of the Smallholders Party called for free elections, and actually the elections prior to the war were not free either, because the chief constables reigned over the people. As far as I am concerned it is a great achievement that at last the Hungarian people have expressed their will freely.

[Sereny] You mentioned the reign of chief constables, but there are some who would like to return not only to the times just prior to Rakosi, but to the era prior to the war.

[Varga] What hurt me most was that after World War I they prevented the distribution of land. Because in my closer homeland a person would have been happy to have even five acres of land, so that he could provide for his family. But this is a bitter memory of my childhood, there in the Hansag region, one which I will never forget.

[Sereny] But then there was land reform in 1945....

[Varga] We did it. We jointly agreed among the parties and distributed the land, but they subsequently took the land back. They took the land away from those to whom they had given land, and also from those who had had some before. My father had a heart attack and died when his land was taken away and when they designated Borcs a socialist village. These are the kinds of bitter encounters I had with life in Hungary. Throughout my life, even in the old world, I have professed that we must fight poverty, and that there must be peace; we Hungarians should not hurt each other. And I believe this is particularly true now.

[Sereny] You, the president of the first post-war National Assembly, will address the newly elected National Assembly in Budapest. What do you regard as more important, the character of this situation or the substance you intend to state?

[Varga] The substance of my statement.

[Sereny] We are looking forward with great interest to Bela Varga's address. But even until then, before you leave for home, what message do you have for the Hungarian people?

[Varga] In returning home, what else can I say than what I have advocated all my life: I became a politician to help

the poor, oppressed people, the humiliated peasants, to obtain more respect for them. After so much suffering, so much tragedy, and so much disgrace and humiliation the Hungarian people and I have experienced in our lives in this century, it is time to awaken, and to love and respect each other—this is how we will be respected in the world. The fact that mistakes were made in recent years and decades must be forgotten. We must forgive each other. Only he who is without sin should cast a stone on the other: We all made mistakes. This is the basis of the order of life. The next thousand years should start out on the basis of love for human beings, of brotherly love. This is my message.

POLAND

Walesa Denies Ambitions, Urges More Vigorous Government

90EP0574A Hamburg DER SPIEGEL in German
21 May 90 pp 167-168

[Interview with Solidarity leader Lech Walesa by DER SPIEGEL staffer Martin Pollack conducted at Solidarity headquarters in Gdansk; date not given: "I Can Topple 50 Presidents"]

[Text] [Pollack] Mr. Walesa, since autumn 1989 a Solidarity government has been in power in Poland. Nonetheless, you have challenged it to a fight. Why?

[Walesa] Even after the end of martial law, society has not yet been able to free itself of the morass from which I want to extract it. Therefore, I sometimes produce a loud pop with a cork—and please note: not a pistol bang—to wake the people up. Those responsible who are doing something, must consider whether what they are doing is correct. And those who do nothing must be spurred on to work.

[Pollack] Is the government proceeding too slowly for you in implementing reforms?

[Walesa] In the beginning, when all the other countries of our bloc were still sleeping, it was correct that we proceeded slowly and gingerly. At that time we had to maneuver carefully in order not to frighten anyone and not to put ourselves in danger. This procedure was correct at the time. Today the situation is entirely different; even Albania is waking up in the meanwhile. But we are still proceeding cautiously. Today we must change our tactics, [we must] advance the development.

[Pollack] And in that, government chief Tadeusz Mazowiecki is in your way?

[Walesa] Not at all. I don't want to topple the Mazowiecki government, and especially I do not wish to abolish democracy, quite the contrary. I want to strengthen the government, strengthen democracy. But we must involve more people in decisionmaking and we must find better solutions. For this reason I have announced a change in our tactics.

[Pollack] But you do not really want to deny the tensions between you and the "eggheads," the intellectuals in the Warsaw government?

[Walesa] I speak a very simple language, the language of the worker. To me, an egghead is a person who constantly twists the words in my mouth, as has recently been the case time and again. For instance, I said that democracy is the peaceful war of all against all. That is how I read it in some books. This statement was turned around by the eggheads, and they have claimed I want to wage war.

[Pollack] And don't you want that?

[Walesa] On the contrary. I want to attain calm and peace with my call to battle. But the eggheads say that I only want to cause unrest. Or let's take another statement: I have said that in times like these, the Polish President must run around with an axe in his hand and drive out the blackguards who want to rob Poland. Of course, I did not mean that literally. Rather, I wanted to express that the president must act more effectively. Today, parliament and the judicial system alone are not enough to protect the country against speculators who want to enrich themselves at our expense. That is why we need a president who decisively intervenes with his legal axe and orders the parliament to carry out its work. But the eggheads say I had demanded of the president that he run around with an axe.

[Pollack] Your critics also accuse you of not having involved yourself sufficiently in the municipal elections at the end of the month.

[Walesa] That accusation is ridiculous. Only a short time ago I was accused of having brought about the municipal elections too soon. I work continuously for the elections, I meet with workers and peasants and call upon them to vote. That, again, is slander by the eggheads. I protest against that!

[Pollack] Do the critics perhaps also fear Walesa's ambitions?

[Walesa] Exactly. These people see the simplest way to fight me is by saying I want to rise too high, or that I have lost popularity. With that, they think, they can hit me the hardest. But that is not true. I already said at the Solidarity congress that I did not necessarily want to become chairman. And even now I have said again that I do not want to become president. On the other hand, Poland cannot afford a president who sits around and does nothing.

[Pollack] What would you do differently?

[Walesa] Especially now, the president must be active and catch the thieves robbing our country. But I say it again: I do not want to become president. I only want the right solutions to be found for our problems. There are two ways of looking at an office: Some who accuse me say that above all I want to have the title of chairman or president, and on the side I would take care of the work

coming up. I see it the opposite way: I want to do the work, and if a few honors come my way, I have nothing against that. But I am not concerned about the position of Solidarity chairman or the president's chair. I don't want the presidency, it is a hard living. But on the other hand, I also do not want to simply give up 25 years of my life, 25 years of struggle.

[Pollack] What danger do you see for Poland in the coming months?

[Walesa] Actually, I don't see any great dangers. I want to secure what we have attained. After all, Solidarity is a reasonable organization. If they listen to me, all will go well. Certainly there are conflicts, and it is important that we debate them in public, not behind closed doors. Therefore, I even call for battle, but for public battle which brings calm. Even more: I am the one who brings banks and joint ventures into the country. And every bank, every enterprise that comes to Poland increases the chance of our victory.

[Pollack] So far, the stream of foreign investors has remained rather thin. Are you disappointed?

[Walesa] They will come in good time, never fear. We Poles have shown that we are capable of taking many hardships and performing well. Nevertheless, we must now become more active. In no way do I want to topple the government, I only want to prick its rear end with a needle so that it moves a bit faster. I don't want to hurt it.

[Pollack] What place do you see for yourself in the future Poland?

[Walesa] In fishing. I would like most of all to go fishing.

[Pollack] Because you are tired?

[Walesa] It isn't even that I might be mentally tired. I can still topple 50 presidents. But I am a practical man. And I figured out that I have sacrificed 25 years of my life to the struggle. Now others shall do battle. I would like to drink a small beer, go out, finally live a normal life. I am destroying my life. The people who always fight just over a seat are not politically normal to me. There are many anomalies, and now the political one has been added. I don't want that.

[Pollack] So why don't you simply chuck it all?

[Walesa] That won't do. Then my opponents would say right away: So he has gotten to the top, has made something of himself, and now he drops everything and runs away. That would not be honorable and also not patriotic.

YUGOSLAVIA

Writer Imprisoned Because of Tudjman Interview

90BA0085A Belgrade MLADOST in Serbo-Croatian
9 Apr 90 pp 34-35

[Article by Vladimir Markovic: "Short Confession by 'Madman' According to Article 218 of Penal Code of the SR Serbia: Three Years Because of Tudjman"—first paragraph is introduction]

[Text] Although it is obvious even to a lay person that I am not even unintentionally "dangerous" to the state and to society, for years I have suffered repression at the hands of the system as it is. And a great deal of it.

Because of my public support for democratic liberties and human rights in Yugoslavia through the publication of articles, poems, and other writings in domestic and foreign publications—over the course of 15 years I have published several hundred journalistic pieces and two collections of poems—I have for years been in continual, one could almost say drastic disfavor with social institutions and organs of power, exhibited by various forms of discrimination and persecution, against which I am clearly unable to continuously and effectively defend myself. The most detrimental effect of this sort of treatment is undoubtedly the fact that because of all of these many years of utterly all-encompassing police and political surveillance of and control over me, with a strong dose of persecution mixed in, and which to those insufficiently acquainted with the circumstances may seem incredible, or at least exaggerated, I have been unable to solve the basic problems of life—finding a steady job and starting a family.

Although I have always been completely healthy, mentally speaking, I have learned that under a decision by the Second Municipal Court in Belgrade, at the recommendation of a commission of only two expert neuropsychiatrists, I am to be housed at the Correctional Institution-Hospital under Article 63 of the Penal Code of the SFRY, for an unlimited period of time. I have already spent three years—from 23 May 1979 to 2 April 1982—in this prison-hospital establishment, in the company of real criminals: murderers, rapists, as well as the mentally deranged, drug addicts, and alcoholics, under very difficult living conditions and the perpetual danger of actually having my nervous system destroyed through the forced administration of what is supposed to be medicine, under continual, rigorous psychological pressure due to the extreme uncertainty about when I will get out and whether I will in fact ever be released.

I was convicted of the criminal offense of "spreading untrue news" under Article 218 of the Penal Code of the SR [Socialist Republic] Serbia. Under that law—which is still in force today, despite the numerous justified demands for democratization and liberalization of our entire body of criminal law, and especially for repeal of articles that penalize so-called "verbal offenses," or thought crimes—the maximum sentence was three years,

and under "especially difficult circumstances" up to five years imprisonment. My case involved the publication of an interview with the well-known Zagreb historian and political opposition leader, Dr. Franjo Tudjman, in mid-1978 in an emigrant newspaper, after futile efforts to have it published in some publication here. The indictment by the Second Municipal Public Prosecutor's Office in Belgrade and the aforementioned judgment by the Second Municipal Court did not charge me with the entire interview, but rather with the fact that in the interview I related an allegation by Dr. Tudjman that he made prior to and after his conversation with me, including in interviews with other domestic and foreign journalists. I wrote in my articles that around 60,000 victims perished in the Ustasha camp at Jasenovac, not the 600,000 to 700,000 cited in official Yugoslav statistics. Neither the indictment nor the judgment even mentioned whom I had interviewed and whose allegation I had related, or even that it was an interview with someone, so that the impression was that I personally set forth my own allegation about such a small number of victims. Naturally, the reason that I included that allegation from the interview with Dr. Tudjman in my article was not that I regarded it as "accurate and objective," as clearly documented by scholarly work and inviolable. On the contrary, both then and today I believe and have always believed that the number of victims is much greater, but as a professional journalist I correctly, consistently, and faithfully, without any personal commentary—agreement or disagreement—included in the article the facts that were presented to me, so that people could hear that opinion, which even then was known to be one of the key elements of Dr. Tudjman's scholarly and political commitment. I related that fact in part hoping that other Serbian, Croatian, and other scholars, historians, and politicians, as well as academic institutions in our country and abroad would report their insight and discoveries concerning this question, and publicly and argumentatively refute the data in question. Unfortunately, the final academic resolution of this question has yet to materialize. There was no fulfillment of my expectation that publication of the interview would ignite debate, stimulate further scholarly research, and even that finally there would clearly be an objective, accurate and final determination of an accurate number of Serbian and other Yugoslav victims at Jasenovac and other camps, during the entire Second World War and after it, as well as who was responsible for and who endured the suffering, when, in what way, and how much. I believed that only publishing—and not suppressing—the positions put forth by one person would ultimately set things right and put a stop to all further over and underexaggeration of the number of victims for especially transparent, petty, political aims. When Dr. Tudjman was indicted in February 1981 by the Zagreb District Court for the criminal offense of "subversive propaganda," my interview with him was used as one of the pieces of evidence against him. At the time, Dr. Tudjman said—and the press reported—that I had related all his statements accurately and faithfully.

Since the time of my release all the way up to the present, a period of eight years, I have had no conflicts with the law, neither criminal offenses nor contraventions, nor for political or any other reasons, nor has any official investigation whatsoever been initiated against me, which shows how much, even before my conviction, I was "dangerous" to my surroundings and deserved a miserable existence in a "prison-type sanitarium." I think that these facts are proof that I am a completely upstanding citizen before the law and in general, and that the authorities as well must finally begin to treat me as such, as the regulations and legal ordinances that exist to this very day and which they themselves adopted compel them to do—that I have the rights and obligations of any other citizen.

It took plenty of time and effort after my release from the prison hospital to prove that I am completely sound mentally and to refute the grave and serious, inadequate and medically utterly inaccurate psychiatric diagnosis given there, which was apparently written out for political-repressive reasons in order to label and humiliate me in the eyes of the public, and if possible to completely and permanently eliminate me from public life. All my attempts to prove the truth failed for a long time due to the justified or unjustified fears of numerous Belgrade institutions of health and psychiatry that interfering in this politically and judicially "sensitive" matter and uttering the plain truth about me and my mental health could potentially be harmful in some way to themselves and to the institution where they worked. Finally, at my own request, they issued me a doctor's certification to the effect that I am completely healthy psychologically, because the psychiatrist who looked into my case and objectively evaluated the state of my health was himself convinced of this.

After leaving the prison hospital, it was a long time before I was able to find any work, even a job with low-level qualifications, let alone one with medium-range professional qualifications, which corresponds to my educational training. I competed for many positions, and was often called in for interviews with the hiring committee. According to what they said, I left a good impression, I would successfully complete the control tests, I always had the largest number of points on the ranking of candidates with regard to the waiting period for work with the Belgrade Employment Self Management Community of Interest. I made it onto the short list... but I was never chosen. As if an invisible hand erased all of these advantages that I held, destroyed my frantic attempts to find a job, to solve my most important living problems, to finally start to live fully from my own labor and no longer be a burden on parents who are already quite old. Unfortunately, nothing worked, and so as of today I have accumulated only around seven years of job experience, even though I was born in 1952. Obviously, my political "unfitness" has hampered the realization of my goals. In the end, I was able to get a job

as a manual laborer, in a job that requires only an elementary school education, in direct production at a printing house, the "Branko Djonovic" Graphic Works under ISKRO "Contemporary Administration." After five years of work without any comments whatsoever on the part of my superiors, I formally and voluntarily resigned from this job, which does not suit me physically, even though I did not first secure another job; but how and where would I do so?! When I was threatened, on the basis of the findings by medical specialists, with the possibility of instantaneously going blind from lifting excessively heavy loads because of an intensified myopia, I went to the management of the work organization with the request that, in all fairness, they find me some job requiring secondary schooling; they responded that the objective conditions for that were lacking. In the first half of 1987, however, when that "condition" appeared—when an internal posting for a vacant administrative position went up in my BOAL [basic organization of associated labor], I applied with high hopes, but someone else was chosen, a young girl.

After that, we once again have the old story of the unemployed intellectual, tainted by the shadow of political dissent: going from door to door at enterprises and institutions, often at the top of the ranking list, but losing out in the competition to the 15th or 16th candidates on the ranking list for occasional menial jobs, and again days of uncertainty.

On the subject of my stay in the prison hospital, as I personally viewed and experienced it as a human being and as a poet, I independently published a collection of poems in April 1988 entitled "Captive." The same subject matter inspired me in my prose work, the novel "Blue and White." The drama "Lieutenant Colonel Svabic's Unit" describes events in Slovenia at the end of the First World War. Even back in 1981, I published a collection of patriotic verse entitled "Sonnets of Pain and Pride." I believe that my literary accomplishments provide the best proof of the absurdity of proclaiming people with different political views to be mentally ill and restricting their liberties by putting them behind bars in prison hospitals.

BULGARIA

Pros, Cons of Lease Program Presented

Dairy Farmer Discusses Problems

90BA0099A Sverdlovsk URALSKIYE NIVY in Russian
No 4, Apr 90 p 54

[Article by S. Radeva: "It's Not That Easy To Be a Farmer in Bulgaria"]

[Text] "To be frank, nobody forced me to take up this job. But since I've already started, there's no turning back!"

The person who spoke these words is Stoyan Dimitrov. He is 37 years old. He worked as a tractor driver, then at a plant in Sliven which produced metal-cutting lathes. Even when he was a worker, he had eight cows, an attachment left over from his years as an orphan. But...it would happen that he would be delayed taking care of the milking and would be five to ten minutes late to work at the plant where they would quite justifiably scold him and say: "Stoyan, either the cows or your job..."

"One day our livestock specialist came up to me and said: 'I have a job for you. They are allocating resources to maintain cows, the brigade pays half. You need to go see Uzunov.' Uzunov is the chairman of the agroindustrial complex. I went to see him and told him a little about myself. 'I really love to take care of animals,' I said. And he explains to me: 'The ones you have now will stay yours. But what would you say if there were 20 of them? You'll take half the money on credit and will repay it in kind over five years. We'll pay the other half.'"

"We talked about 20 but it turned out that there were 26 of them. We signed an agreement and started working..."

Half of the old cooperative-owned hay shed was turned into a cattle shed. It was dry and clean there. Stoyan will pay 500 leva per year to rent the hay shed. The brigade provides him with fodder. For payment. For the time being. But as the agreement reads, in the future he will prepare lush feed and hay himself on the land which the brigade allots to him. Three hundredths of a hectare for each cow—two hundredths planted in alfalfa and one in corn. There is also a milking machine. He bought it himself. Recently he also acquired a tub for cooling the milk.

"How I suffered without that tub. When I didn't have one, we threw out a thousand liters of milk. But another problem—the tub doesn't have a drain. In the morning we milk directly into milk cans and pour them out into the tub. When the time comes to deliver the milk, we pour them into the milk cans again. If only 'Serdika' (procurement organization - author's note) would agree to come and pick it up here. After all, we have no more and no less than 280...300 liters. And what happens when all the cows finish calving and we have 500 liters?"

And Stoyan already has 500. But "Serdika" won't agree to come. "Serdika" refuses... "Serdika" places conditions on an agreement... Either the brigade or Stoyan (!) must pave the road from the cattle shed to the street.

"Yes, just about everything has happened but a person has to be a little bit of an optimist. In the morning I go to 'Serdika.' 'Hey, worker,' they say curiously. 'Why did you load empty milk cans?' 'I'm just fooling around,' I say. 'I can barely lift them on the carriage and they...' 'Hey, worker,' they ask curiously, 'I hope you make at least 200 leva a month doing this?' 'Yes,' I say, 'I wouldn't even go into the cattle shed for just 300 leva.' I made 300 leva at the plant but nobody asks me how much work I put into it. Animals require a lot of work. I really got scared about that mastitis. A cow can swell up in just an hour and a half. I had to lift some of them with the help of special equipment. But my animals don't have mastitis.

"And I don't understand why some people envy me. Or rather, I don't know if it's envy or something else... And, if you can say it this way, I have punished myself. I can't go anywhere with my wife or have a drink... Many times it's happened—I go to bed at two and get up at four. Of course, my father helps me and my wife is always with me, but most of the work is on my shoulders."

So this is Stoyan. For some he is greedy, for others a petty private owner, and for still others a farmer. But for the old man, Dimitr Stoyanov, who is the guard at the farmyard, he is simply a hard-working man. "This guy works more than he needs to."

But there are only a few who see and appreciate how much work Stoyan puts in. Just as there are only a few who realize that right now people like him can help save our livestock industry, especially the milk industry in many areas of the country. Is Stoyan of any use to the brigade? He is! He renders his accounts to the brigade about fulfilling the plan both for milk and meat production. Stoyan's cows produce more milk... And if you figure how much land "is working" on the brigade's farm and how much on Stoyan's farm, then the impression, undoubtedly, is significant.

But we are conditioned in such a way that we look first at one's wallet and not at a man's hands.. We forget that he, of course, will receive, but before that happens he will give and give a lot!

"Even if it doesn't work out with this farm, I'll keep the cows. For me a cow is a profitable animal. But I need to improve the breeding program. From quantity to quality. I don't think that I'll lose money. Before spring I'll pay off the credit I took out to buy the animals."

"But one thing I might not be able to handle is farming the land. If only they would give me a little bit of equipment. But now... When we signed the agreement, they promised me: 'we'll give you a tractor,' they said. But the time came for them to give it to me and they began to think—no, not this one, or this one, or this one."

They dragged out a piece of junk from the farm, but I don't need it. If they provide me with a tractor, I'll buy it. They have these little machines, but they're spunky and will go anywhere. If I had a miracle machine like that I would clean out the cattle pen and cart off the manure. And if 'Serdika' would then pick up milk from me... I would have to haul half of what I do. And I might as well give this watch to the farm and to the animals."

Tenant Farmers Enthusiastic

90BA0099B Sverdlovsk URALSKIYE NIVY in Russian
No 4, Apr 90 p 55

[Article from "Sofia-Press" news agency: "Advantages of the Lease Contract"]

[Text] We found the tenant farmers from the village of Osen—the entire Mikhaylovskaya oblast (Northwest Bulgaria) knows them by that name—with their equipment.

Seven young men were quietly at work; wrenches made clinking noise in skillful hands. Not standing out from the others in any way, their leader, Aleksandr Yonikiyev, a general mechanic, was working here as well.

"This is our lease group," he presented his colleagues with a smile. Vitan Petrov, Petr Ivanov, Marin Khristov, Dimitr Mladenov, Petr Dimitrov and Mladen Khristov.

Three of them began in April 1988 by forming a group which worked on a piece-work contract. However, they weren't satisfied with that and on 1 August the following year seven of them signed an agreement to lease 1200 hectares of land for mechanized farming.

The land and machines are rented—200 leva per hectare. During the course of the year, the tenant farmers are paid a salary by the agroecological brigade from the city of Krivodol. Based on the year's results, income from production is determined. Expenses for fuel and lubrication materials and fertilizer are subtracted from that sum. The difference between the income and expenses comprises the tenant farmers' profit.

Originally the tenant farmers were provided three machines—one K-701 tractor and two YuMZ. Later they obtained two "Don-1500" combines, two new YuMZ tractors and a tractor-drawn "Tornado" spreader.

The machine operators started work in high spirits. They baled the hay, cleared the fields and began preparations for deep plowing. Part of the land which was given to them had been neglected for a long time. The other part had been farmed but poorly. They finished deep plowing and did it in such a way that later the chairmen of other brigades came from all over the oblast to see what high-quality work looked like.

"We work like we're doing it for ourselves," says Petr Ivanov, "because we know that the land will pay you back based on how you prepare it."

Their machines shine as if on parade. Everything has been cleaned and greased for protection against bad weather. It's a shame, of course, to leave equipment out in the open, but the tenant farmers don't even have a shed yet. That is one of their big problems. A lot of money has been put into these machines and everyone is interested in keeping them in perfect running order.

"I think that the organization of work which we have created will find a broad application," says Yonikiyev. "Its advantage is that it teaches a person a sense of economic management. Our main goal is not only to obtain as much as we can from the land but also to maintain its fertility. And in order to get a good harvest, you have to cultivate the land better and meet certain agrotechnical deadlines. The income to each member of the collective depends on our overall work. We utilize our equipment to the maximum and we have more worries with the equipment than in an MTS (Machine-Tractor Station). Before, when a part went out, we replaced it with a new one but now we repair it—that's much cheaper."

The tenant farmer's repair shop is not large but it has a lathe, an electric welder and other repair equipment. Having received permission to examine the backyards of neighboring machine-tractor stations where a lot of unneeded material had accumulated, they were able to acquire suspension implements necessary to cultivate the land. Nor did they ignore old and worthless equipment abandoned in the fields: an axle here, a wheel there—everything comes in handy on the farm.

When the time came to plant winter grain, they did not have a single planter. From whom do you get one at a time like that? At the Krivodol MTS they gave them two which had been written off, and after a week of almost around-the-clock work the planters were repaired. The tenant farmers not only planted their fields on time but helped their neighbors from Krivodol as well.

"We have a lot of problems," said Vitan Petrov. "They demand products from us, but we need help where we can't handle things ourselves. First of all, that refers to the material base; we need machines, fuel, a lubrication point, a grain storage platform, sheds for equipment storage."

From the first days of its existence the group of tenant farmers from Osen set a rapid pace of work. Colleagues from all over the oblast come to see them—to adopt their experience, to learn. There are quite a few that want to work with them but here the right to choose only belongs to the tenant farmers themselves.

CZECHOSLOVAKIA

Agricultural Land Valuation Problems Discussed

90CH0110A Prague ZEMEDELSKE NOVINY
in Czech 26 Apr 90 p 6

[Article by Eng Josef Sejak, candidate of sciences, Economics Institute of the Czechoslovak Academy of Sciences: "What Value To Assign to Agricultural Land"]

[Text] The possibility for utilizing land free of charge appeared, in the beginning, as an explicit advantage of collectivized management. Collectivizers were driven not only by envy ("class hatred") with respect to the most industrious of the peasants, but also based their actions on the theoretical Marxist legacy, which stated that land under socialism will not have any value and can be utilized for free.

Thus, the prices of agricultural products could be based only on the costs of labor and were, therefore, lower than marginal costs (including also the price of land or the price for its use). However, with the passage of time, this supposed advantage of socialism turned against society as a result of its negative consequences. It was paid for in the form of extensive, resource-intensive production which, in this regard, does not bear comparison with developed market economies. It also has deplorable consequences in the form of the unprecedented devastation of the natural and living environment and, in the final analysis, our country is experiencing a growing degree of morbidity, stagnation, or even decline with respect to the average life expectancy of the population.

The Function of Land Rent

Marxism and its proponents suppressed the category of land rent because they saw in it primarily and exclusively its ownership aspect—the form of realizing aborless income on the part of the landowners. As has been confirmed in world economic theory and practice, the ownership aspect is by far not the most important function of land rent (it can be solved without major difficulties by imposing a suitable method of taxation). The main thing with respect to land rent is its economic function which involves the assurance of rational land use, of natural resources and components of the natural environment. By incorporating land rent into the price system, demand and inflexible supply of generally restricted resources and components of nature can be balanced.

Czechoslovak economic theory has demonstrated, for a number of years now, the need for incorporating rental relationships into the economic system. However, political practices resolutely rejected these proposals. In the final analysis, the model of the central command economy failed completely, particularly as a result of the ineffective function of the so-called socialist ownership factor as a concept which facilitated irresponsibility on the part of those who made the power decisions.

Renewal of Realistic Ownership Relationships

Following the recent revolutionary political changes, the basic prerequisites for the renewal of actual ownership relationships with respect to the land are gradually being created even in agriculture and, thus, also favor the increase in efficiency of agricultural production. Despite all of the peripeteia of collectivization, agricultural land remained in private hands to a considerable extent from the legal standpoint. Even though, for the present, some

essential legal standards have not yet been approved, it is clear that in making a transition to a market economy, the rights of private owners of land must be and shall be realizable.

It is, therefore, completely understandable that people ask the question as to how things will be with regard to the prices of agricultural land. It is true that after 40 years of the effects of an ideology of free land use and free use of other natural resources, it is very difficult today to establish even starting orientational (directive) prices for agricultural land. However, economic and legal practices cannot get by in the immediate future without at least orientational data regarding the price of land, at the very least until such times as a functioning land market is created.

Soil Quality System as a Starting Point

Fortunately, we are not completely without information. At the Agriculture and Food Economics Research Institute in Prague and at the VUEPP [not further expanded] in Bratislava, a so-called soil quality information system covering agricultural land has long been under development and can be used to approximately determine the magnitudes of standardizing annual rent effects on land of suitable quality (quality and location). The system is based on topical standardizing data regarding natural yields for individual crops in typical production structures and on individual standardizing costs reported by agricultural enterprises. The fact that the system is based only on data for cooperative farms and state enterprises governs its restrictive nature, since it is possible (and expected) that production in the private sector will be more efficient.

The greatest methodological problem faced by the group of specialists which was established at the beginning of this year at the Agriculture and Food Economics Research Institute in Prague for purposes of computing directive prices for agricultural land was the valuation of agricultural products. The reasons for the problem were not only theoretical in nature (the price determines the land rent and not vice versa), but even purely practical (the existing bulk-buying prices cannot be used). As is known, the bulk-buying prices are based on better-than-average costs and are supplemented by a system of land taxes and differential surcharges. Moreover, these surcharges are not paid per unit of land, but rather on the basis of sales from production.

The situation was ultimately resolved by judging the costs of all utilized land for each crop (per hectare and per ton of product) and so-called submarginal expenditures were selected (that is to say, expenditures which were almost the highest, but still socially acceptable) which are used to value the resulting production. These expenditures are, on average, approximately 50 percent higher than existing bulk-buying prices. The above approach naturally has a whole series of various limitations, of which the authors of the computations are aware (as has already been stated, the expenditures used

are not always those of the most efficient enterprises; typical structures incorporate only nine principal crops; a uniform 10-percent profitability approach is considered for expenditures, etc.), which the resulting computations appropriately stress.

The Annual Rent Effect and Its Capitalization

The selected submarginal expenditures make possible the computation of the annual rental effect with respect to land in individual quality classes, which range from a minimum on submarginal soils through virtually Kcs 10,000 per hectare in the best Czechoslovak soils. The so-called capitalization of the annual rent effect can then be used with relative simplicity to compute the orientation prices for land. (By way of explanation: capitalization means the finding of the amount of capital which, deposited at minimum interest, bears annual interest equal to the land rent. If, for example, the annual rent effect per one hectare of land is, say, Kcs 5,000 and the interest rate is five percent, then the value of this land can be computed through capitalization as being $5,000/0.05 = \text{Kcs } 100,000$.) The annual rent proceeds can then be used to derive land prices for various uses. Preliminary computations indicate that prices for agricultural land range approximately from Kcs 5,000 to Kcs 200,000 per hectare.

A Few Unknowns in the Game

At this point, it is necessary to reemphasize that, for the time being, we are dealing with computations conditioned by a number of hitherto unresolved facts. The attainment of computed rental yields is conditioned primarily by the existence of the above-mentioned prices, that is to say, it anticipates that the bulk-buying prices will be replaced by higher submarginal prices. As long as this does not occur and we continue to stay with the system of bulk-buying prices, then the price system in agriculture must retain the category of differentiated surcharges, as well as all the evils which have hitherto been connected with the payment of these surcharges.

A second fact which has, for the present, not yet been decided socially, is the existence and magnitude of the land tax. Even it is subject to ongoing discussions/ at present. If the tax is to be applied, then the prices of land purchased for farming purposes will clearly be based only on the remainder of the rent effect, after subtracting the land tax.

In summation, it is possible to state that in order to make it possible to responsibly determine orientational (directional) prices for land, it is necessary for society, in the immediate future, to decide the magnitude of bulk-buying prices and whether there will be land taxes and their magnitude. At the same time, however, after approval of the "agricultural laws" there will apparently be nothing to prevent the beginning of the formation of market prices for agricultural land by agreement between

the buyer and seller. However, we shall probably have to wait for some time yet for "official" prices for agricultural land.

Principles of Entrepreneurship Discussed

90CH0138C Prague ZEMEDELSKE NOVINY
in Czech 10, 11 May 90

[Interview with Frantisek Faldyn, doctor of jurisprudence, principal arbiter of the CSFR, by Katerina Sladkova; place and date not given: "The ABC's of Entrepreneurship—Not Even a Private Citizen Can Get By Without the Economic Code"—first paragraph is ZEMEDELSKE NOVINY introduction]

[10 May p 3]

[Text] If a popularity ladder with respect to laws were being compiled, as is the case with songs, most certainly the law on private entrepreneurship would be at the head of the list of hits. The fact that the public interest does not lend it so much quality as does the pure necessity and need for its existence alters nothing. However, a law which, as a result of its content and thus also with regard to its importance, also belongs among the "hits" of similar caliber has somehow remained at the margin of attention—this is the amended economic code, which became effective 1 May 1990.

[Sladkova] I became convinced that its knowledge is absolutely essential to an entrepreneur on the basis of the conversation I had with the principal arbiter for Czechoslovakia, Frantisek Faldyn, doctor of jurisprudence.

If I am not wrong, the economic code hitherto only regulated mutual relationships between organizations. Does the amendment include private entrepreneurs among economic entities?

[Faldyn] The basic importance of the amended economic code lies precisely in the degree of equality it confers upon entrepreneurs with all existing types of enterprises and organizations and their incorporation into the regime of the economic code. A further substantial characteristic of the amendment is the express limitation of state regulation as it pertains to the entrepreneurial sphere. In the future, the organs of economic management will, thus, intervene in the activities of enterprises to a substantially lesser degree than was the case in the past. The contracting obligations are set forth only as a rare exception and are only applied to cases here in a taxative manner, that is to say, those which are specifically listed, which means only in the case of planning activities and in the sphere of defense and security of the state. Even if the amended economic code appears to be optically very extensive, in the majority of cases it involves only essentially minor adjustments aimed at the mutual interconnection between individual standards and their establishment. It can be said that it only has a temporary character until such times as a new commercial law is issued.

[Sladkova] Why is the economic code of such importance to individual entrepreneurs?

[Faldyn] This code will govern both the relationships between entrepreneurs and also between entrepreneurs and other organizations. The law on private entrepreneurship makes it possible for private individuals to generally engage in entrepreneurship; of course, the economic code adjusts the position of the private entrepreneur in terms of supplier-consumer relationships, irrespective of whether he may be an artisan or a so-called large-scale entrepreneur.

[Sladkova] Many people are obviously of the opinion that the limitations set according to income or the number of employees employed, as is specified in the law on private entrepreneurship, also have an influence on whether the legal relationships will be governed by this law or by the economic code.

[Faldyn] The limit of Kcs 540,000 in annual income or 25 employees is decisive from another standpoint, primarily from the standpoint of taxation and pricing. Mutual commercial relationships among entrepreneurs will, however, in all cases, be governed by the economic code.

[Sladkova] In my opinion, the revival of private entrepreneurship has an adequately complicated starting position. Apart from individual will and courage to risk, entrepreneurial pioneers lack just about everything. Among others, even precise information on legal conditions governing their activities. After all, approved laws are frequently not even available to central organs and national committees. To wait until they are published in the Collection of Laws would mean a delay of several more months. Therefore, I would ask you to express some kind of minimum of which entrepreneurs should be aware in their own interest.

[Faldyn] First of all, an entrepreneur should familiarize himself with the types of commercial enterprises and methods which give rise to a private firm. He should be familiar with the character of contracts which can be concluded with respect to mutual commercial relationships. The fact that these contracts are not subject to those provisions of the economic code which have a coercive character—in other words, for example, the contracting regulations or other limiting provisions—is also of importance.

The principle, stipulated in the law, that physical persons may form commercial associations for purposes of common entrepreneurship in practice means that if at least two physical persons desire to undertake something jointly, they must establish one or another of the identified types of commercial associations. Even though this provision may appear to be superfluous, the duty outlined by the law does have its substantive significance. Commercial partners are thus compelled to establish their mutual property relationships and their property responsibilities and reveal them to the outside—that is to say, to third parties. This obligation protects the

partners both with respect to their mutual relationships and also affords protection to those who will embark upon commercial contacts with them.

[11 May p 3]

[Sladkova] What types of associations does the economic code place at the disposal of entrepreneurs?

[Faldyn] Most frequently, it is likely that a joint stock company will be used whose rules, however, are adjusted by a separate law on joint stock companies. The economic code offers the form of a public commercial company and a company with limited liability as two basic types of commercial companies. Furthermore, it provides an option to establish limited partnerships, limited partnerships with shares, silent partnerships, and consortiums.

[Sladkova] Could you at least briefly characterize the individual types of companies that are regulated by the economic code?

[Faldyn] A public commercial company comes into being by the joining of at least two entrepreneur-partners and is established both for purposes of production and also for commercial activities or for the service area. The essence of this type of company lies in the fact that the property deposit made by the partners is not limited in any way and, moreover, that the commercial partners are responsible for all their obligations with respect to their trading partners with all of their property—that is to say, even their personal property. The basic prerequisites for the establishment of this type of company is the conclusion of a so-called partnership agreement which must contain, primarily, the commercial name of the firm under which the partners will conduct business, particularly also the addresses of the partners, the object of the activities, and the extent of responsibility for obligations with respect to third parties. This agreement also regulates the method of distributing profit or, on the contrary, distributing losses. This agreement is to be submitted at the time the company is being registered in the register of companies, which will, at the same time, review the fulfillment of all items identified in the agreement. For a public commercial company, it is typical for such a company to be dissolved as a result of the death of one of the partners or upon the withdrawal of one of the partners. Even though it may appear that having to guarantee affairs with the totality of one's property is very disadvantageous for the partners in the event of bankruptcy, this type of guarantee, on the other hand, tends to attract trading partners for whom the risk of entrepreneurship is thus limited to a minimum. This also makes a public commercial company a sought-after trading partner.

A company with limited liability is characterized by the fact that each of the partners enters into the company with a property deposit which need not be equal in size and shares in the profits and losses precisely at the same ratio as the size of the shares initially deposited. In other words, he does not stand behind things, externally, with

his entire property, as is the case in public commercial companies. While this can result in a certain advantage in the event of possible bankruptcy for the entrepreneurs, it does introduce an element of uncertainty into commercial relationships. A condition for the establishment of this type of company is again the conclusion of a partnership agreement. It differs from that of a public commercial company by the fact that the agreement must identify the net value of the property involved in establishing the company, which must amount to at least Kcs 100,000 and the lowest deposit by a co-owner may not be less than Kcs 20,000. The deposit can be of varying character, in other words, not only in money, but can also include property values invested in the undertaking. The agreement is also subject to registration in the register of enterprises.

A limited partnership can briefly be characterized as a mixed company with elements of a public commercial company and a company with limited liability. Its more frequent use is not anticipated, at least not in the beginning.

A silent partnership, in contrast to all previous types of companies mentioned, is not a legal entity and is, thus, not even recorded in the register of enterprises. The principle of a silent partnership lies in the fact that someone uses their property deposit to participate in the undertaking of another person—the entrepreneur—for a share in the profits and losses, which is expressed in the agreement. This type of company will be of interest primarily to citizens who have free capital at their disposal and wish to invest it without personally becoming partners of the trading partners involved. The deposited capital becomes the property of the entrepreneur who is, however, obligated to present the silent partners with an annual balance sheet and to make available to them a share of the profits which understandably corresponds to the magnitude of the capital they have deposited. A silent partner is not accountable to third parties, but, in the event of a bankruptcy, can lose his entire investment.

A consortium is actually an association of individuals gathered together for purposes of implementing one or more commercial transactions for a joint account. The prerequisite is the conclusion of a contract regarding the association which either stipulates that the partners share in the commercial activities in accordance with the magnitude of their shares or, in the event this is not stipulated, that they share equally. As a result of its character, a consortium is temporary, aimed only at accomplishing usually one major commercial transaction.

[Sladkova] Until the recent past, private entrepreneurship was judged to be undesirable and an activity which was harmful to society and it was also handled as such. It is not surprising, therefore, that the middle and younger generations only have a very foggy idea regarding entrepreneurship and its rule. Moreover, this concept is deformed even by the entrenched and proven principle

of mutual pilfering, such as we know it from life today. However, with such a philosophy it is not likely that one can embark upon serious entrepreneurship. Nevertheless, there will undoubtedly be many conflicts, both between entrepreneurs and their trading partners, as well as between partners mutually. After all, property will be involved. Who will arbitrate these conflicts?

[Faldyn] Because these will be conflicts arising as a result of economic activity, the economic arbitration authority will have jurisdiction, even in cases of property conflicts within a commercial company. For the state arbitration authority, this will mean not only a completely new agenda, but also an additional quantitative work load. However, we anticipate that courts of equity will be established in the future, where the solution of these conflicts would logically fall.

Slusovice To Produce Windmill Generators

90CH0138B Prague ZEMEDELSKE NOVINY
in Czech 12 May 90 p 3

[Interview with Eng. Viktor Fiala, private firm of A.V.E. Moravia, Brno; place and date not given: "Will Windmill Generators Start Spinning?"—first paragraph is ZEMEDELSKE NOVINY introduction]

[Text] At the beginning of this year, the Union for the Utilization of Energy Resources came into being in Prague. Within its framework, there is a group dealing with the utilization of wind energy which intends to coordinate the initiative of private individuals and organizations in the area of producing windmill generators. A section of the organization is also established in Brno and the trail leads particularly toward the private firm of A.V.E. Moravia.

[ZEMEDELSKE NOVINY] The wind conditions in our territory are by far not as favorable as those, for example, in Denmark, Holland, or even in California. With respect to wheat, the yield level for the FRG would yield a similar harvest quantity on approximately 60,000 hectares less land and with respect to rye, we could make do with 100,000 hectares less land. However, this is no reason why the energy of wind should not be utilized. The construction of large windmill power generators is a problem; a power plant which could "handle" a single-family house would have to have a relatively large propeller and the fact that wind-generated electric energy under our conditions is always more expensive than electricity delivered via the electric power line system can also not be disregarded. The importance of small wind-driven electric power plants is undeniable. They help wherever power lines cannot be run, where this is not so profitable or not ecologically suitable. They can replace even the most varied gasoline and diesel aggregates and their quiet and ecologically completely unobjectionable operation constitutes a great advantage. Small electric power plants will be utilized by owners of weekend cottages to recharge batteries, by fishermen, and by forest lovers, but also by farmers who choose to

breed cattle in the open. In foreign countries, it is customary to supplement the operation of pumps precisely with the aid of energy obtained from windmill generators. It is not without interest that production of a "wind pump" is being prepared which would utilize the energy of wind to pump water.

We asked Eng. Viktor Fiala from the Brno private firm of A.V.E. Moravia, which is supposed to be transformed later into a joint stock company, about the future aims in connection with windmill generators.

[Fiala] Our firm came into being on the basis of collaboration with the Research Institute for Energy Machines, where we worked together with Eng. Danes Grulo. We are both students of docent Stracar, who is well known for his work in this discipline. In recent times, the best conditions did not exist in the education system nor in the research community to permit us to verify the results in practice and so we decided that we would try to produce something on our own. For the present, interest on the part of small consumers is high and will surely expand further. We want to orient ourselves toward the fabrication of power plants with an output of 100, 300, and 500 watts; currently, a 500-watt windmill generator has been completed and the first five prototypes have been finished in collaboration with the unified agricultural cooperative at Slusovice. A 30-watt power plant is on the drawing board and a prototype of a 100-watt generator is already prepared. We expect that we might be able to begin series deliveries by about mid-September.

[ZEMEDEL'SKE NOVINY] What services can your firm offer today?

[Fiala] The firm is engaged in design and planning activities, it is possible to order the plans for a windmill generator, including the production of the principal components, the necessary field research, propeller regulation; the firm is capable of providing engineering services and possibly even assembly services. The firm's lawyer has worked out instructions for customers on how to proceed in initiating construction—essentially the procedure is the same as that required in obtaining permits for small construction projects.

[ZEMEDEL'SKE NOVINY] Farmers, horticulturists, and peasant cottage dwellers can, therefore, look forward to a source of ecologically clean energy. Because we are learning to think economically and to guard our investments, we were particularly interested in the question of price. We have heard various views indicating that the sound made by the propeller is not only unpleasant, but also unhealthy. How are things really?

[Fiala] First, the question of the propeller whistle has been solved in the design phase; the rotating velocity of the rotor blades may not exceed 80 meters per second. These low rpm wind power plants require a special generator and, currently, a whole plethora of suitable types has been developed and the JZD Slusovice is prepared for the production of the first series of 1,000.

Also, intensive market research is going on. As far as the price is concerned, it will depend on the output. For example, a power plant with an output of 150-300 watts will cost about Kcs 5,000; a 500-watt power plant will cost up to Kcs 10,000. The firm will take world trends into account—that is to say, the price per unit of output will be lowered as the power plant output grows.

Bank, Savings Association Law Evaluated

90CH0138A Prague MODERNI RIZENI in Czech
Apr 90 pp 39-42

[Article by Eng. Jaroslav Smrcka, PhD, candidate of sciences, Central Institute of National Economic Research, Prague: "The Law on Banks and Savings Associations"]

[Text] On 13 December 1989, the Federal Assembly approved another key law, Law No. 158, on banks and savings associations. Together with the law on the Czechoslovak State Bank, this creates a two-tier credit system in which commercial banks will operate in accordance with the principle of maximizing profit and self-financing, just like all other enterprises.

According to this law, commercial banks are understood to be banks of the second instance (the first instance is defined as the Czechoslovak State Bank) and savings associations. These institutions are state monetary institutes, joint stock companies, cooperative enterprises, or joint enterprises (joint ventures). Commercial banks are not subject to the regulations on self-administration, with the exception of state enterprises. The Czechoslovak State Bank, in agreement with the Federal Ministry of Finance, grants permission for the establishment, dissolution, combination, or merger of one commercial bank with another, for changing the activities, and for changing the size and method of creating wealth.

Because this law was worked out during the period of the so-called restructuring of the economic mechanism and had to take into account the Directive for Supporting Comprehensive Restructuring, some sections contain provisions which do not fully reflect current conditions. For example, in Section 9 it is stated that commercial banks shall be governed by binding targets of the five-year plan set for them, even though it is generally clear today that no five-year state plan will be worked out and that it will probably be replaced by a two to three-year stabilization plan. Similar "traces of the past" are contained in some other sections, particularly in Section 15, which uses the concept "khozaschot," or in Section 16, according to which commercial banks are obligated to create obligatory funds similar to the funds of other state enterprises. In this regard, the law contains internal inconsistencies in that Section 1 refers to the law on joint stock companies and Section 6 to the law on enterprises having foreign property participation. According to these laws, the organizations are not compelled to create

any obligatory funds. The advantage of savings associations which are created as state enterprises is in the fact that the state guarantees the safety of deposits and the payment of interest.

For enterprises and citizens, Section 10 is of particular importance. According to it, legal and physical entities can choose any bank (savings association) and these institutions can, on the other hand, select among legal (physical) entities in whose behalf they will conduct banking business and provide monetary services, with the exception that they are obligated to open and maintain accounts (deposits) insofar as these have not been opened yet with another bank. This establishes one of the fundamental conditions for competition. However, this competition will be considerably weakened by the small number of commercial banks as well as by some instruments with which the Czechoslovak State Bank will be regulating the activities of commercial banks.

As far as the number of commercial banks is concerned, as of 1 January 1990 the following have come into being as a result of the subject law: the Investment Bank, the State Monetary Institute, the Zivnostenska banka [Business Bank], National Enterprise, the Czech State Savings Association, and the Slovak State Savings Association. Moreover, the following have already come into being: the Commercial Bank, the Slovak Credit Bank, the Czech Commercial Bank; the Slovak Tatra Bank is being revived—this involves the establishment of a cooperative bank. Several foreign monetary institutions have demonstrated interest in entering into our credit system, clearly in the form of joint ventures. It is also likely that, in conjunction with Section 14, several other monetary institutions will be established because, according to that section, one or another of the banking monetary activities can be undertaken also by another legal entity, in addition to that entity's principal activities, on the basis of permission granted as a result of an application (that is to say, what will be involved is the acceptance of deposits, the granting of credits and loans, the conduct of payroll and accounting contacts, the implementation of money exchange activities, operations involving securities, etc.).

The law does not make it clear who will grant credits (including nonreturnable credits) from the state budget. The Czechoslovak State Bank cannot undertake this function because this would be in conflict with its functions as a central bank. Clearly, this function will be entrusted to the Investment Bank. This will become clear from subsequent developments in the work of the central authorities and will be anchored in the statutes of this or some other bank.

From the listing of the newly established commercial banks, it can be seen that competition between them will be relatively limited in the first phase of the reform. This will depend on a number of circumstances, particularly on the fact whether the listed commercial banks will function as universal or specialized banks. The intention of the central authorities is that they be universal-type

banks insofar as possible which, in my opinion, will encounter several difficulties, particularly with respect to the shortage of qualified people who were unable to acquire the necessary knowledge and skills before this time. From the organizational standpoint, competition will also be dependent upon the number of branches in a city, for example, on whether the commercial banks will have branches in kraj cities or also in some large towns or in all okres towns, etc.

From the economic standpoint, the activities of the banks (including competition among them) will be mainly dependent upon the method of regulation implemented by the Czechoslovak State Bank. This is particularly a matter of regulating the ability and willingness of commercial banks to lend, that is to say, regulating the amount of money and credit conditions. Both can be regulated with the assistance of direct and indirect instruments. Direct control over setting "ceilings" which limit the growth of bank deposits by, for example, regulating the limits of deposits to a maximum of five percent for the next 12 months.

Indirect regulation is based on deposit policy and, possibly, on setting the limits of interest rates or maximum deviations from the interest rates established by the central bank.

A policy covering deposits is based on establishing the liquidity of banks, which means that the commercial banks must maintain a certain portion of their funds in liquid form. Basic liquidity is generally represented by money deposited with a bank in cash. This area also encompasses additional rapidly liquid assets, such as government bonds, bonds of local institutions, commercial accounts, etc.

This is a complicated system which can be illustrated in a simplified manner by having the Czechoslovak State Bank, for example, set liquidity at 10 percent. If a commercial bank acquires Kcs 100,000 in cash (provided cash is the only type of rapidly liquid money), then it may create deposits (liabilities) up to Kcs 1 million and, consequently, grant credits of up to Kcs 900,000 (the deposited Kcs 100,000 is also a part of the liabilities, since this bank is obligated to pay this money in case of need). If the Czechoslovak State Bank were to lower the deposit requirement to 8.5 percent, this commercial bank could then increase its liabilities to Kcs 12.5 million (the problem lies in the fact that if the customer were to transfer part of his cash to another commercial bank, the capabilities of that bank to establish deposit funds and to cover credits with them would be expressly lowered).

Throughout the world, this instrument is generally used as the basic method for regulating the capability of banks of the second instance to grant credits. Another instrument is the administration of the state debt and operations involving securities (bonds), something which we will not deal with in this article.

In the first phase of activity of our two-tier credit system, the "classic" instrument for regulating the activities of commercial banks will be obviously applied—an instrument which consists of setting the limits of interest rates or maximum deviations from the basic interest rates set by the Czechoslovak State Bank. However, this is a substantially gross and primitive instrument which should be rapidly overcome by the existence of finer instruments, the main ones of which were listed above. The problem lies in the fact that the use of interest rate limits or maximum deviations from interest rates set by the central bank can expressly suppress or eliminate competition among commercial banks which is possible primarily in the following areas: the extent of the deposits which can be used to grant credits, that is to say, the extent of funds available for the granting of credits; credit conditions, that is to say, the breakdown of the length of repayment periods and interest rates, agreed upon between both partners (basically, these conditions are established in accordance with the amount of confidence the bank has in the customer and in accordance with the urgency of the needs by the bank to deposit funds which will bring in interest payments as the principal source of revenue for the bank).

All bank transactions and monetary services engaged in by commercial banks are subject to the bank secrecy provisions. Information on the status of the accounts of legal entities and on the credits granted to them may be provided only to these entities and their founders; information may be provided to other persons only with the approval of the legal entity involved. With respect to deposits made by physical persons, the anonymity of deposits and depositors is preserved with respect to relationships involving a third party and in the case of bearer deposits, anonymity is preserved even with respect to relationships with the bank and savings association. Information regarding the deposits of a physical person may be provided only upon inquiry by a court or by another organization involved in criminal proceedings based on criminal prosecution. Employees and officials of commercial banks and employees of state supervisory organs are required to maintain secrecy with respect to official matters. They can be relieved from this obligation for court purposes by the appropriate statutory organization.

State supervision over the activities of banks is implemented by the Federal Ministry of Finance and supervision over the activities of savings associations is carried out by the Ministry of Finance, Prices, and Wages of the republic in whose territory the savings association is headquartered.

This law represents an important step in the direction of creating conditions for a money market. However, it will be necessary to rapidly establish additional conditions for a functioning money market, such as the possibility for issuing and buying securities, that is to say, obligations, shares, etc., and to establish a stock exchange to facilitate the exchange of securities. This and other measures are already in preparation.

GERMAN DEMOCRATIC REPUBLIC

Construction Minister Interviewed on Housing Sector

90GE0095A Dresden SAECHSISCHE ZEITUNG
in German 5-6 May 90 p 3

[Interview with Minister of Construction, Town Planning, and the Housing Sector Dr. Axel Viehweger by Juergen Schnell; place and date not given: "In the Future the Communities Will Have Their Say"—first paragraph is SAECHSISCHE ZEITUNG introduction]

[Text] An exclusive for SZ [SAECHSISCHE ZEITUNG]: Dr. Axel Viehweger, former Dresden city councillor and present construction minister, supplies information on future construction strategy of the GDR Government.

[Schnell] An appointment for an interview with the construction minister is like five correct numbers at Lotto. Therefore, first off our thanks that you are sacrificing some of your weekend time for us.

[Viehweger] I was glad to do it for the SZ, since I continue to feel very closely linked to Dresden. Since my workday in Berlin is never less than 16 hours, there would hardly have been a chance there. One must understand the new government; first of all, we must work very hard, get some things in line. So there is hardly any time left for interviews.

[Schnell] Actually, where does the construction minister and his family live?

[Viehweger] In a very normal newly constructed WBS-70 apartment on Kohlen Street in Dresden.

[Schnell] You have used your weekend stay in Dresden for a talk with the mayor. May one inquire what the subject was?

[Viehweger] No, it concerned internal matters.

[Schnell] In the Dresden area in particular, the failed economic policy of past decades has led to a great number of contradictions, also in the housing sector. In addition to a large number of empty—because uninhabitable—apartments, I am thinking of the many cultural-historical buildings which are increasingly left to decay. Furthermore, there is also the lack of modern traffic buildings in order to overcome the chaotic conditions on streets and squares. How will the minister reconcile the solution of these problems?

[Viehweger] The minister is not going to do that at all, directly. What is going to be built in a region, and in what sequence, will in future be decided exclusively by the community. It is up to us to create as soon as possible the general conditions for that. The draft of the new construction regulation is finished and was sent to all kreises last week. It also contains an adjustment to the effective FRG law, hence is already a step in the direction of

unification. Since in future the Laender exclusively will decide on their construction regulations, I hope that they will not deviate too far from this draft.

But we shall definitely not regiment any longer. That is the very thing that I always criticized as a municipal politician. For this reason I am very glad that the old Dresden city government has managed to attract endowment money to Dresden.

[Schnell] That is certainly one way of financing, but not the decisive one. We have an enormous need for construction. In the end, who is supposed to pay for that, since the communities at present are least able to?

[Viehweger] That is true. Naturally, in the same breath our tax laws must be changed so that the communities will get money. But for the transition we need start-up financing for which we are negotiating with the FRG. We have also received an additional M 600 million from the travel payment fund.

I also see a further possibility for savings in building and loan associations. This form of saving will be of great importance here in the future, and a number of building and savings banks are ready to start up with models adapted to the GDR.

Incidentally, this also holds true for foreign investors who are eager to place orders for construction work. Hence we must urgently clarify questions such as the law of leaseholds and inheritable building rights so that these funds can begin to flow. And I see a third possibility in cooperative construction.

[Schnell] So there will be no lack of orders for construction in the future. But is the capacity of our construction firms adequate, since the number of construction workers has declined so drastically in recent times?

[Viehweger] That is indeed a major problem. In 1989, 35,000 construction workers left us, and we didn't exactly have a surplus to begin with. In addition, there is the necessary restructuring in the construction business, away from giant combines and toward small and medium-size enterprises. This process is fully underway and will be completed still this year. A great number of small and medium-size construction firms were founded and are in the process of getting modern equipment. So we will be able to build just as quickly as others. This is also the only way that our enterprises can compete. I am convinced that the curve will still rise upward this year. Naturally, we need any number of workers. In contrast to other ministries, I am therefore not dealing with unemployment. Retraining programs are already in progress. We are talking with the Chamber of Craftsmen in order to push forward the training of master craftsmen. In the construction business, I can guarantee secure jobs far into the future. A reduction will only be necessary on the administrative side. I will reduce my ministry from 500 people to 300. That also is part of effectiveness in the construction sector. On the other hand, I can well

imagine that the communities in particular will need even more trained personnel for the management of construction processes.

[Schnell] But despite all optimism, statistics indicate a further decline in housing construction. And that with 800,000 people looking for housing. In part [this is] also caused by construction freezes for new construction areas. Does the minister see a solution for that?

[Viehweger] As I said before, I will no longer regiment anything. The suspensions of construction decreed by the regions often exist rightfully so, because no basic preparatory measures were carried out, and above all, because no agreement with the interests of the citizens was reached. In city planning in particular we have a great catch-up need; our architects and project drafting offices are challenged. Nonetheless, in every region it should be studied carefully which construction freezes can be rescinded in view of the great housing needs.

[Schnell] A short time ago, you spoke about cost covering rents. Do you imagine that to be a solution to the housing problem?

[Viehweger] The problem certainly cannot be solved in this manner. But as a first step, we must achieve rents which make the management of apartments profitable. The enormous expenditures needed for the reconstruction of empty apartments, for example, must be amortized at some time. Otherwise, no one is willing to invest in that. It is my endeavor to eliminate social hardships. This requires that, before introducing such rents, we must have the financial means to be able to pay a housing allowance.

One example: A newly constructed apartment of 70 square meters now costs M 63 in rent. To cover costs, it would cost M 147. Depending on family size, income and apartment furnishings, a varying amount of housing allowance would be paid upon application. A three-person household with below-average earnings, for instance, would be fully reimbursed for the M 84 difference. Naturally, people with higher earnings will have to count on higher rent. But for the time being there will still be rent control.

With the development of incomes in the next years we will also go to higher rents without neglecting social aspects. But in the discussion about rents we must all be clear on this point: With the present cheap rents, we cannot get our cities in order and cannot maintain them in good condition later on. One must also not overlook that 40 percent of apartments are privately owned. And who likes to spend his own money for other people.

[Schnell] Mr. Minister, we have spoken much about the construction system itself. But time and again, one hears complaints about the inadequate performance capacity of our construction materials industry. Does it have any chance of survival at all in the market economy?

[Viehweger] I can only hope that our construction materials industry is looking for strong partners. That is its only chance to make jobs secure. One fact is irrefutable: With the monetary union, the FRG industry is capable of burying us with construction materials of all kinds. On the one hand, that will favor stimulation of our construction business but, on the other hand, it will endanger an entire sector of industry.

[Schnell] Mr. Minister, I thank you for this conversation and wish you much success in your responsible task.

Transportation Cooperation With FRG Discussed
90GE0098A East Berlin DDR-VERKEHR in German
Apr 90 p 113

[Article by "D.P.": "Expert Consultation on the Way Toward a Transportation Union"]

[Text] Possibilities of cooperation between the "Friedrich List" Technical College of Transportation Dresden (HfV) and the Rail Transportation Forum e.V. (registered association) of the Federal Republic of Germany were discussed at a meeting on 3 and 4 February in Dresden. Participants were scientists from the college, leading representatives of the German Bundestag's Railroad Parliamentary Group, of the German Federal Rail System (DB), and business partners of the DB included in the Transportation Forum, as well as representatives of the GDR Ministry for Transportation and of the GDR National Rail System (DR). The rector of the HfV, Prof. Dr. Horst Strobel, greeted the leading members of the FRG delegation: the president of the Railroad Parliamentary Group and chairman of the German Bundestag's Transportation Committee, Dr. Dionys Jobst; the chairman of the DB's executive board, Dr. Rainer Gohlke; and the vice president of the Railroad Parliamentary Group, Klaus Daubertshaeuser. Participating in the consultations on the GDR side were Deputy Minister for Transportation Rainer Obst and Herbert Keddi, managing director of the GDR National Rail System. Prof. Strobel explained to the guests the concept he had developed of transforming the Technical College of Transportation's profile from that of a technical college into that of a transportation university of European self-understanding and greater openness to the German-speaking area. During the consultations there was agreement that the partners would cooperate closely in the future in areas which are of particular importance for the further development of the railroad. Already in June 1990 a symposium on East-West rail transport, prepared in cooperation with the Transportation Forum, will be held in Dresden. Scientists specializing in transportation issues and high-ranking transportation experts from the FRG have declared their willingness to give lectures to students and young scientists of the HfV as well as to railroad experts at the HfV. The guest lectures by the director of the Chair for Political Economy and Transportation at Justus Liebig University in Giessen, Prof. Dr. Gerd Aberle, on problems of the transportation market, of enterprise planning, and of international and

national railroad policy, which had been given already in March 1990, were the prelude for this.

Management seminars are held at regular intervals for young scientists, aspirants, and transportation experts on the following topics:

- Entrepreneurial policy for railroads;
- Strategy development;
- Organization and execution of railroad marketing;
- Maintenance and improvement of production; and
- Management and cooperation, work and management techniques, and management training (continuing education in management).

Joint research projects are to develop feasible methods of modernizing the GDR National Rail System—particularly in the area of electronic data processing and construction technology. Specific measures involving the GDR National Rail System, the Technical College, and industry are planned.

The Rail Transportation Forum, founded in 1984, brings together representatives of 180 renowned firms in the Federal Republic which as shippers, contractors, and cooperative partners are associated with the DB. It sees itself as a "partnership of reason" in the face of the growing dominance of highway and air transportation, it advocates efficient, market-appropriate, energy-saving, and environmentally oriented public transportation systems, and it represents the common interests of the railroad and industry to the public, decisionmakers, and other institutions in the private sector. The Transportation Forum has an ongoing dialogue with prominent scientists, it sponsors scientific study and research, and, in special working groups, it is concerned with current issues regarding transportation technology, transportation law, procurement and purchasing policy, with the complex of issues involving railroads and the middle class, and with matters concerning combined freight transport. Due to the Transportation Forum's efforts to form the Railroad Parliamentary Group in the German Bundestag, which is headed by the chairman of the Transportation Committee, it succeeded in expanding the partnership between trade and industry and the railroad to include politics.

In view of the good experiences which have been gained in the FRG with the Rail Transportation Forum, it was proposed by the participants in the Dresden consultation that an analogous, independent Rail Transportation Forum be established for the GDR. The development processes of the railroads in both German states could thereby be included in the program of the European Rail Transportation Forum, which comes under the aegis of the European Community and which also enjoys the support of the International Railroad Association (UIC).

The commercial issues regarding cooperation between the Technical College of Transportation and the Rail

Transportation Forum are being handled on the GDR side by the director of the HfV's Transportation and Communication Assessment Center (TCAC), Prof. Dr. Siegfried Bergstroem, and on the FRG side by the managing director of German Rail Consulting GmbH, F.W. Moeller. The results of the expert consultation must be regarded as a promising starting point for further cooperation in transportation science, transportation policy, and transportation economics on the way toward a transportation union between the two German states.

YUGOSLAVIA

1989 Losses in Economy Higher Than Reported

90BA0098A Belgrade EKONOMSKA POLITIKA
in Serbo-Croatian 30 Apr 90 pp 21-23

[Article by Tomislav Dumezic: "Losses Larger Than Indicated"]

[Text] The preliminary data from year-end accounts of the Yugoslav economy for last year, which were presented by the Social Accounting Service of Yugoslavia, show disastrous financial results. The total loss indicated exceeded 30 billion dinars, while amounts set aside for saving amount to only 9.6 billion, which means that the net loss of the Yugoslav economy as a whole was 20.4 billion dinars. It is significant that for the first time the economies of all the republics and provinces showed a net loss, including even the economy of Slovenia, where the current loss was 4.2 billion, and capital formation 2.1 billion dinars. To get a more realistic picture of the amount of the losses under the inflationary conditions that prevailed last year, we have to say that the income realized by the economy as a whole was slightly less than 110 billion dinars, and total net personal incomes paid out amounted to 51 billion dinars.

In evaluating the financial results of the economy's business operation last year, we should also bear these two facts in mind: first, that the losses indicated are not exclusively the result of the economy's business operation last year, since they also include losses which occurred, but were not indicated, in previous years; second, that the balance sheets for 1989 are not realistic, that the costs have been considerably understated, and that the actual loss of the economy is much greater. Although the losses indicate inefficient and ineffective business operation of the major portion of the Yugoslav economy, in and of themselves they are not the central problem. The problem is that the losses cause an outflow from enterprises of money that mainly does not exist. So that not only do they not have even the minimum of their own money to finance current business operation, but they are even using short-term credits to cover a portion of permanent assets, especially long-term financial investments.

Net Loss Is the Common Characteristic

This kind of outflow of money from the economy is the consequence of the arrangements making up the system. That is, enterprises have been unable to make up the money lost by selling a portion of the enterprise or the enterprise as a whole. Precisely for that reason insolvency has taken on such proportions that it threatens the entire economy with financial collapse. The solution cannot be sought either in increasing credits from primary note issue, or in increasing the lendings of business banks. Solutions of that kind would not contribute to improvement of the financial situation of enterprises, but it would make it possible to continue the inefficient conduct of business and production for the warehouse.

The economy of all the republics and provinces ended last year with a net loss. The largest net loss was in the economy of Serbia proper (slightly over 9 billion dinars), and then in Croatia's economy (6.5 billion), the economy of Vojvodina (4.3 billion), and the economy of Slovenia (4.2 billion). However, when we also take into account capital formation, we get a somewhat different picture on the soundness of business conducted by the economies of the various republics and provinces. The leading position is held still more firmly by the economy of Serbia proper with a net loss of 7.7 billion dinars, followed by the Croatian economy (4.1 billion), the economy of Vojvodina (3.1 billion), and the economy of Bosnia-Herzegovina (2.5 billion).

It is significant that along with the economy of Slovenia, where the net loss was nevertheless relatively small, the economies of Kosovo, Macedonia, and Montenegro had a smaller share in the net loss of the entire Yugoslav economy than in its income. Nevertheless, this is not a real picture of the quality of business operation; this is largely a question of taking excessive advantage of the opportunity to reduce outlays for financing at the expense of revalued reserves.

The immensely huge size of the loss is shown by its share in the income distributed. For the economy of Yugoslavia, this share is 27.2 percent. In certain economic activities, the share of losses in distributed income is considerably higher: in industry, for example, it amounts to all of 47.7 percent, in housing and municipal services 29.5 percent, and in transportation 27.4 percent. Along with forestry and water management, where the share of losses in income is tolerant, the trade sector, with a share of 5.6 percent, showed a relatively satisfactory financial result.

Dubious Balance Sheet Figures

The financial results indicated for last year are also less favorable because they contain a portion of hidden losses from past years. This has been made possible by the accounting system in effect at the time.

The new Law on Accounting, which was in effect when the year-end statements were prepared for last year, has made it possible to prepare more realistic balance sheets

than for previous periods. Nevertheless, the balance sheets still are not accurate. There are two main groups of reasons for this: first, the accounting of gross income on the basis of billed sales made it possible to indicate larger revenues than will be realized in spite of the requirement of writing off receivables older than 60 days; second, revaluation of the money portion of business assets was not done realistically, and enterprises were allowed to reduce total costs and increase income by large-scale reduction of outlays for financing at the expense of the revalued reserve.

The total net reduction of outlays for financing was nearly 30 billion greater than the income the economy realized. This is sufficient indication of the extent to which the balance sheet could have been made to look better than the situation it reflects. It should be noted, however, that the net reduction of outlays for financing is to some extent necessary. This applies above all to exchange rate differences on credits for fixed assets. These exchange rate differences are not a current operating cost, but constitute dinars furnished that are offset by the increase in the nominal value of the capital asset purchased. The bookkeeping figures, however, are such that one cannot arrive at the real figures.

Comparing the share of the economy of the republics and provinces in the net reduction of outlays for financing with their share in the income realized by the country's entire economy, we can arrive at the conclusion that balance sheets have been dressed up considerably, that is, that the actual financial results are poorer than those indicated in year-end statements. The largest departure in a negative sense, where the actual losses are greater than those indicated, is in the economy of Montenegro, Kosovo, and Serbia proper. The smallest (relatively) reduction of expenditures compared to the income realized is in the economy of Slovenia, which is followed by the economies of Croatia and Vojvodina.

The outflow of capital from the economy was also promoted by inflation and the system for accounting and paying interest at a time when the economy's own money did not represent even the 10 percent necessary to finance current business operation. Total payments of interest amounted to 142 billion dinars, or about 33 billion more than the income the economy realized. The position of the various republics and provinces is not the same; wherever the economy possessed somewhat more working capital, more favorable relations were achieved between interest paid and interest received.

The economies of Croatia, Serbia proper, and Vojvodina had a higher burden in terms of the relation between interest and income realized, and the net financial burden was less on the economies of Slovenia, Kosovo, and Bosnia-Herzegovina.

The outflow of money from the economy by means of losses both indicated and concealed put almost all enterprises in all parts of the country in a situation of complete insolvency. This is indicated by receivables from customers and obligations to suppliers. However, this has resulted in a further deterioration of the structure of sources of capital. Whereas in 1988 the economy had money of its own which represented slightly less than 8 percent in financing average inventories, last year this money had evaporated completely. Although precise calculations cannot be made because the scheme of the balance sheet has changed, this observation is confirmed by the further deterioration of the ratio between permanent capital shown on the assets and liability side of the balance sheet.

The relative reduction of permanent capital on the assets side occurs in the economy of all the republics and provinces except Bosnia-Herzegovina. The largest deterioration is in the economy of Montenegro, Slovenia, Serbia proper, and Kosovo. This change was influenced by the losses indicated and the large-scale use of the opportunity to reduce operating costs by reducing outlays for financing.

Enterprises Without Money Are the Founders of Banks

Ever greater nonliquidity has caused the spread of insolvency. Toward the end of last year, receivables from customers amounted to about 137 billion dinars, considerably more than income realized. At the same time, obligations to suppliers were 128 billion dinars. It is significant that the ratio between receivables from customers and obligations to suppliers differs essentially from one republic or province to another. The worst payers are enterprises from Montenegro, Kosovo, and Macedonia, followed by Bosnia-Herzegovina. The best payers in relative terms are customers in Slovenia, where obligations to suppliers are 20 percent less than their receivables from customers.

Large capital is tied up in inventories, which at the end of last year reached a value of 119 billion dinars. What is more, large assets have been immobilized in long-term financial investments. Since they do not have capital of their own, in many enterprises long-term financial investments are being covered with short-term bank credits. About 30 percent of the entire 87 billion dinars of long-term financial investments, or 25.2 billion, represent long-term funds invested in banks. It follows that the Yugoslav economy as a whole has capital in banks representing about \$2 billion U.S. The situation differs essentially from one republic to another.

The economy has capital in the banks of Slovenia, and to some extent this can also be said of the Vojvodina economy and banks in Vojvodina. The situation is extremely unfavorable in the economy of Kosovo, Montenegro, Macedonia, and to some extent Bosnia-Herzegovina, where the economy's investments in banks are minimal.

HUNGARY

**U.S. Hungarian Organization Offers Help,
Predicts 10,000 May Return***25000722B Budapest NEPSZAVA in Hungarian
29 Apr 90 p 2*

[Article and interview with Laszlo Pasztor, managing director of the National Association of Hungarians in America, by MTI Washington reporter Andras Heltai; place and date not given: "As Many as 10,000 Hungarians May Return Home in the Changed Political Situation"]

[Text] The National Association of Hungarians in America [AMOSZ] intends to benefit the new Hungarian Government with its connections in the United States Government and the legislature. They feel that, considering the situation in Hungary, several thousand American Hungarians may decide to resettle in Hungary, to help in the country's economic transformation. AMOSZ Managing Director Laszlo Pasztor discussed this matter with the MTI's [Hungarian Telegraph Agency] Washington reporter.

AMOSZ unites more than 100,000 American Hungarians: The majority of its 42 member organizations function in the states of California, Ohio, Florida, and Illinois. Churches, freedom fighter organizations, cultural groups, Hungarian houses, and associations of comrades in arms form a multifaceted alliance. The Association is relatively new: It was formed in 1983 after leaving the Association of Hungarians in America [AMSZ], having attracted a majority of the AMSZ' previous membership. Ever since that time, lawsuits and disputes have been the order between the two organizations: In AMOSZ' view certain leaders of the other organization cooperate with the leaders and functionaries of the former Hungarian party state in an unprincipled manner.

[Pasztor] AMOSZ supported the opposition, and long before the elections obtained moral and financial support from the political institutions of the two large American parties and from private foundations for the Hungarian Democratic Forum [MDF], the Association of Young Democrats [FIDESZ], the Independent Smallholders, Agricultural Workers, and Citizens Party [FKgP], the Christian Democratic People's Party [KDNP], the Alliance of Free Democrats [SZDSZ], and the Hungarian People's Party [MNP].

The Association regards it as its task to represent and support the Hungarian cause, including the nationalities issues, before every appropriate American forum. Thus we maintain contact with senators and representatives, the National Security Council of the White House, and the State Department, and we urge the support of a legislative proposal to provide support to Hungary, the establishment of an investment fund, and other measures.

AMOSZ is repeatedly taking a position in defense of Hungarians in Romania. It called the attention of appropriate officials both in person and in writing to the fact that Romania is not abiding by the Helsinki Agreement concerning nationalities rights, and at the same time we pointed out that the United States, a signatory to the peace treaties after the war, must take action to protect the interests of Hungarians in Romania.

AMOSZ is prepared to help the endeavors of the new Hungarian Government, to support the new representatives of Hungarian foreign policy, Pasztor said. In the opinion of the Association's president, under the changed circumstances in Hungary, very many Hungarians in America will take out Hungarian passports (American law recognizes dual citizenship) and now that restrictions concerning land and apartment ownership have been removed, many may decide to resettle in Hungary; their number may reach 10,000. Their return home may be useful by all means, because many may utilize their business and economic experience and their capital, and may create jobs.

**Amateur Soccer Team Defies Boycott, Travels to
South Africa***90CH0143B Budapest VILAG in Hungarian
3 May 90 p 7*

[Unattributed article: "Indoor Soccer in South Africa"]

[Text] The presidium of the Hungarian Olympic Committee [MOB] delimited itself from the South African trip taken by the Flandria amateur indoor soccer team. The MOB has consistently adhered to the anti-apartheid policies and actions of the International Olympic Committee and of national sport organizations. The essence of these policies is that the sports organizations of neither the countries which take part in the olympic movements, nor the national specialized sports associations maintain relations with sports organizations of the South African Republic.

Officially, the Flandria soccer team plays in the championship games organized by the Budapest Soccer Association [BLSZ], thus the BLSZ will initiate disciplinary action against the team which departed without permission, and which participated in the privately organized tour. In addition to the amateurs, one National Championship Team I player, and two National Championship Team II players joined Flandria on the trip. Their cases will be dealt with by the Hungarian Soccer Association disciplinary committee. The MOB is expecting severe sanctions against the members of the team and the organizers of the trip. They are taking part in a trip which presents sports policy complication supposedly while fully aware of the consequences, for the sake of receiving a 200,000 honorarium per person that was offered to them, and for the adventure of the trip.

Society for Protection of Unborn Holds Conference

90CH0143D Budapest VILAG in Hungarian
3 May 90 p 7

[Unattributed article: "Murder Within the Law?"]

[Text] Abortion: premeditated murder committed for gain, in a particularly brutal manner, even if the law permits it. Life begins with conception. The fetus: an innocent human being. Human beings have no right to destroy human life.

Using this line of thought as its starting point, the Society for the Protection of the Unborn was organized in Budapest, November 1988. The Society, jointly with the Association of Christian Intellectuals and the Red Cross organization of the Semmelweis Medical University [SOTE], will hold a conference at SOTE on 11 and 12 May. The conference entitled "In Defense of Life" will also prepare for Life Day events organized jointly with several West European countries on 1 June. Its purpose is the presentation of the darker side of the termination of pregnancy, and the finding of a way out.

Between 1956 and 1987 4.3 million abortions were performed in Hungary, an average of 365 abortions per day. In 1989 about 90,000 abortions were performed, 68 percent of which involved married women. The ratio of live births and artificial abortions is 4:3. Between 1955 and 1970 about 3,000 women died as a result of abortions and related consequences. The number of uterine diseases and those suffering from malignant tumors has increased by 20,000. Between 1956 and 1985 about 150,000 women became sterile. The termination of pregnancies of persons below the age of 14 has quintupled in recent years. More than 150,000 such operations are performed each year.

The Society for the Protection of the Unborn provides family counselling (Budapest 13, No. 21 Devai Street), and provides advice by telephone to young expectant mothers (149-0992) who are uncertain as to what to do. They are trying to make the growing generation reject even the thought of abortion, through pious convincing talk and informational presentations in the 7th and 8th grades of elementary school.

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